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— AN INTERVIEW WITH STATE SECRETARY FOR FOREIGN AFFAIRS —

Koča Popović, State Secretary for Foreign Affairs, answered the questions put to him on November 20 by Milorad Mijović, editor in chief of this review, as follows:

QUESTION: As every session of the UN General Assembly is more or less the barometer of existing relations in the world, we should like you to tell us what, in your opinion, was the atmosphere of this year's session. The agenda of each session of UNO is very extensive, but questions which are most topical and most important for the further development of international relations, are always singled out. What questions, in your view, dominated this year's session?

ANSWER: The atmosphere was not good. Some great powers failed to stress sufficiently the need for making maximum efforts towards pacification. This was reflected in the treatment of two questions which dominated this year's session: the question of disarmament, and that of the Syrian complaint. As is known, a political, although not a lasting, solution was finally reached on the Syrian question. As regards the problem of disarmament, no headway was made for the moment. It was not even agreed as to how many, and what new, members should be admitted to widen the Disarmament Commission, which might at least have marked the beginning of an effort to emerge from the present impasse.

QUESTION: Since disarmament has been mentioned, could you describe the present situation in connection with this problem? What steps, in your opinion, should the United Nations take, with a view to reaching concrete solution of the problem of disarmament in a way that would best

answer the interests of world peace and the wishes of all nations.

ANSWER: Our attitude on this matter was set forth in detail in the statements of our political leaders and in the declaration of our standpoint before UNO. In order to make progress possible, it is necessary to approach the problem from a different angle than has hitherto been the case. Here a special responsibility rests with the great powers, and they should make special efforts. Perhaps it is necessary to consider the radical reformulation of the existing integral plans which were the outcome of opposing one plan with another, and thus became automatically as one might say, an expression of irreconcilability. Like certain other countries, we tried to act in this direction. It is a matter for regret, as well as the expression of a rather unhealthy and alarming atmosphere, that not even the moderate Indian resolution on the halting of nuclear weapon tests, was adopted. It should be said that we still hold that suspension of these tests should be given priority. Actually the general disposition of both peoples and governments is in favour of suspension, and those powers which resist this course, and use their influence to prevent the manifestation of this general mood in a joint decision, are assuming a great responsibility.

QUESTION: Did the launching of artificial satellites by the USSR influence the work of the General Assembly, and to

what extent? What are the repercussions of this event on the attitude of individual powers?

ANSWER: It seems it did but, unfortunately, not in a favourable sense, although the event itself, which is undoubtedly of epochal significance, should normally be a cause for joy and new hope to the whole of mankind, as well as for new constructive efforts towards reaching agreement on disarmament.

QUESTION: In our opinion, a series of world problems would be much closer to their solution if it were possible to establish a certain amount of confidence in relations between the antagonistic sides in the world. Don't you think that this might be helped by the realization of the idea set forth by Khrushchov for a top-level meeting of Eastern and Western representatives?

ANSWER: Yes, I do think so.

QUESTION: Starting from the fact that the establishment of confidence is a most complex problem, what methods, in your opinion, might serve best to attain this aim? In this connection, what significance do you attach to the role of independent countries in reconciling the differences in international relations and East-West rapprochement?

ANSWER: Mistrust cannot be eliminated by constant reference to it as an obstacle in reaching an agreement, or

by taking it as a reason why it is impossible to reach agreement. It can only be gradually dispelled in practice, by practical steps conducive to agreement on definite questions. Otherwise we shall continue to move in a vicious circle. "Owing to mistrust nothing can be undertaken: as nothing undertaken mistrust remains".

The role of the independent countries — in the sense of their being unattached to blocs — has been and still is great in this regard. Of course by themselves they cannot be a substitute for the good will of the great powers and their willingness to negotiate which, I think, cannot fail to come. On their part, these countries must be patient and devote themselves to prolonged activity, during which they must be prepared to meet with unpleasant misunderstandings and objections. The goal at which they are aiming, however, is worth the continuation of their abnegating efforts.

QUESTION: What problems, in your opinion, may be termed the present preoccupation of our country in the sphere of foreign-policy?

ANSWER: I do not know what problems should be singled out here. Our foreign policy is interested in all problems where in our view our action can contribute to an improvement of the international situation and the strengthening of peace.

VIEWS AND OPINIONS

ATLANTIC SOLIDARITY AND INTERDEPENDENCE

L. ERVEN

ATLANTIC solidarity, which was recently revived in a Western press campaign, is the general principle on which the cooperation of the Western bloc is to be strengthened within the framework of the Atlantic Pact organization. It is to be more strongly manifested in mutual relations between the Atlantic Pact countries and in more frequent political consultations among members on all international questions which are of general significance for the policy of the Western bloc, or affect the interests of individual member-countries. This solidarity is also to be supplemented by practical decision on cooperation on the principle of the interdependence of interests of the Atlantic countries and the limitation of their sovereignty, in order to provide for a rational and coordinated utilization of all the potentialities of individual members to the Pact, with a view to perfecting their common defence and prosperity.

In the light of these principles, which are not new, but whose significance is particularly stressed today, the forthcoming meeting of the Atlantic Pact Council in December assumes special significance. This meeting is to study the question of the reorganization of its organs and the revision of its plans. It is announced that, on this occasion, as an exception, the heads of the governments of the allied countries will attend the meeting.

In the midst of this campaign for the greater solidarity of Atlantic Pact countries, however, relations suddenly became

strained between France on the one hand and the United States and Great Britain on the other, in connection with arms deliveries to Tunisia. The reaction of the French Government and French political public opinion caused by an insignificant quantity of arms supplies, transcended the significance of this Anglo-American move, and cut deeply into the relations and disagreements between the chief Atlantic allies.

INTENTION OF WASHINGTON DECLARATION

What is the position of Atlantic solidarity and interdependence in the light of these disagreements?

The revival of the campaign for Atlantic solidarity and interdependence is linked with the Washington Declaration on American-British common objectives. This declaration, issued in Washington on October 25, as the result of consultations between president Eisenhower and premier Macmillan, an agreement between the United States and Great Britain on coordination of efforts for the joint utilization of scientific experiences and technical potentialities in the field of nuclear energy. The perfecting and strengthening of Western Bloc defences in the face of the dangers which the Western powers see in the technical achievements of the Soviet Union has been given priority. The Washington Declaration is thus the first reaction of the Western powers to the appearance of the Soviet artificial satellites.

Meanwhile the new drive for scientific research and technical application of nuclear and other technical discoveries (new missiles and power sources), which has been stimulated by this declaration, is not confined to American-British cooperation. A much wider plan has been conceived, in which the United States and Great Britain, as the only atomic powers in the Western Bloc, will retain the leadership and primary responsibility, but in which other members of the Atlantic Pact will figure in varying degrees.

This plan of uniform atomic policy, in which the scientific, technical, military and economic capacities of all the Atlantic Pact members will be engaged, calls for a reorganization of his military and political instrument of Western policy, and a revision of its plans and concepts in membership relations. That is why Paul Henri Spaak attended some of these consultations.

In this regard the Washington Declaration marks the beginning of propaganda preparations for the Atlantic Pact December meeting. In this action two guiding principles for future cooperation within the framework of the pact were stressed: Atlantic solidarity and Atlantic interdependence — solidarity on the policy of the Atlantic Community, and interdependence in regard to unification of efforts for the realization of the common objectives.

The principle of interdependence was particularly emphasized in the Washington Declaration. One of its passages even stated that the concept of national autarchy is obsolescent and outworn, and that it now acts as an obstacle to the joining of efforts and resources of the „Free World“ countries in defence of their security and progress. Today there is close interdependence of interests of the Western Bloc countries, which calls for the solving of problems according to a method of wider integration, beyond the bounds created by the concept of national autarchy as a check to rational exploitation of the power sources, experiences and assets of each member-country. The United States and Great Britain have agreed to apply, from now on, the principle of interdependence in their mutual relations.

BRITISH CONCEPT OF INTERDEPENDENCE

On his return from Washington, Mr Macmillan indicated the adoption of the principle of interdependence as the most significant result of his talks with Eisenhower. For this he certainly had his own, or rather peculiarly British, reasons. For example Eisenhower's consent to propose to Congress the abolition of the law on the preservation of atomic secrets under which the United States monopolized its entire service of scientific research and technical tests in the field of atomic energy, was secured on the principle of allied interdependence. The abolition of this law will enable Great Britain to make use of American achievements in the development of its atomic weapon industry. One of the major problems of British policy was its deficiency in nuclear weapons, as compared to the United States and the Soviet Union. It was considered in Britain that the nation would not be able to regain its prestige as a great power, if it remained a second class atomic power, nor would it have an equal role with the United States in European policy while this situation continued. The cancellation of American restrictions and the principle of interdependence will create opportunities for British cooperation with American scientists, as well as nuclear research and supply institutes.

At the same time the application of interdependence principles will mean other aspects of closer cooperation within the Atlantic Pact framework, between the USA and Great Britain. Linked by common aims formulated in the Washington Declaration, the United States and Great Britain compose an inner Anglo-Saxon group, which will help Great Britain in regaining, at least partially, the position in the system of Atlantic policy which she had lost. After last year's events in

Egypt, during which Anglo-American relations were seriously disturbed, Great Britain endeavoured to rejoin the broken threads of Anglo-American cooperation, which would on the one hand strengthen her position in relation to the European partners and, on the other, enable her to re-establish some points of contact with American policy in the Middle East. The Bermuda meeting was the first stage of renewed Anglo-American relations, and the Washington meeting constituted a further stage. Britain was therefore able to welcome sincerely the principle of interdependence as one on which British-American relations should be based.

ANGLO-AMERICAN GROUP IN NATO

On the American side, the principle of interdependence is to serve the American Government as a platform for asking Congress to abolish the law on monopoly of atomic discoveries. As regards atomic cooperation, the Americans, convinced of their own atomic supremacy, have so far been very reserved and mistrustful. But now the problem was viewed in Washington in the light of Soviet successes in that sphere. The lack of wider cooperation with the Western allies which the American law precluded was interpreted as an allied handicap in nuclear competition with the Soviet Union. The abolition of the law which had so far hindered the development of this cooperation is a logical consequence of the application of the principle of interdependence of allied interests in the field of modern armament. At the same time, this principle, once adopted within the Atlantic community, will help in facilitating the carrying out of plans for the distribution of the roles of other member countries in reorganized Atlantic Pact cooperation. The principle of interdependence constitutes a correction of the principle of equality and national sovereignty.

FRENCH FEARS AND THE TUNISIAN AFFAIR

The demand for the strengthening of Atlantic solidarity is a constant theme of the Atlantic talks. Conversations on this theme are usually revived whenever a crisis appears in allied relations as a result of some acute conflict between contradictory interests. After last year's Egyptian events, in which the interests of the United States clashed with those of Great Britain and France, the Atlantic Pact Council passed a resolution in which, as a measure for preserving and strengthening Atlantic solidarity, it recommended the adoption of the practice of political consultations among member-countries, particularly in cases where the policy of one member affects the interests of another. Although this resolution was adopted unanimously, it has not yet been put into practice in inter-allied relations in the Atlantic community. The Washington Declaration stresses Atlantic solidarity as a basis for the common security policy of Atlantic countries. Only a few weeks after its proclamation, however, signatories of the Pact delivered arms to Tunisia without previously consulting with France — an act which the French Government and French public opinion consider a breach of Atlantic solidarity.

The Tunisian affair revealed the conflicts and disagreements between the principal Atlantic Pact allies in regard to North Africa — just as last year's Egyptian events revealed similar disagreements in policy towards the Near East. It is considered in France that the American-British action in supplying arms to Tunisia without previously consulting the French Government and obtaining its assent, has resulted in the weakening of the French position in the negotiations with Tunisia, during which France laid down, as a condition for supplying arms, that there should be a change in the Tunisian attitude towards Algeria. According to the French reaction, the Anglo-American gesture constitutes — from the viewpoint of allied solidarity — an intolerable pressure imposed on the French Government in its Algerian policy. Although at present only token quantities of arms are involved which does not lessen the political significance of an action which seems lacking in allied loyalty.

Unfavourable comments in the French press however, described this supplying of arms as a gesture of much wider significance, constituting interference on the part of the United States and Great Britain in North African affairs, which France considers its exclusive domain. The very motivation of the Anglo-American action, the ostensible intention being to protect this area from the danger of Soviet influence — which was taken without previous consultation with France — confirms its character of interference contrary to the spirit of Atlantic solidarity. Nor has it escaped the French public that this step followed the Washington Declaration on joint American-British policy. Hence it was interpreted as a sign of the tendency of these two powers to form a separate group within the Atlantic Community, and to pursue a special policy, contrary to the general principles of Atlantic solidarity.

TWO CRITICAL AREAS

Two critical areas today exist with regard to Atlantic solidarity — areas which are the scene of the conflicting interests and political plans of the leading Atlantic powers. These are the Middle East and North Africa. The USA considers that the colonial regime or policy, inspired by the colonial spirit, damages the interests of the Western system of collective security. Of course American policy is not devoid of other special

motives, to a lesser extent characterized by general Western considerations. America has already succeeded in elbowing Great Britain out of the Middle East area, and France suspects that her allies have similar intentions towards her in the North African area. During the Near East crisis provoked by the attack on Egypt Great Britain and France addressed grave reproaches to the United States, stating that she had broken Atlantic solidarity obligations by supporting Egypt instead of siding with her allies. Now, in the present case of arms deliveries to Tunisia, with whom the French Government has its own difficulties, Great Britain and USA have entered into a deal which France declares to be contrary to her interests and to the spirit of Atlantic solidarity. But just as the United States maintained in the Egyptian affair, so now the USA and Great Britain state in connection with Tunisia that the purpose of their policy is to protect the higher interests of Atlantic solidarity. Thus Atlantic solidarity has proved a very sensitive spot in the relations of these three powers. Created in a period of acute international crisis through military formations, this alliance failed to consolidate the political relations of the Atlantic Pact members, who have contradictory interests in different parts of the world. In view of these contradictions it has only a declarative character, and merely serves as a cloak to cover their separate aims of the Allies.

ECONOMIC ASPECT OF THE PROBLEM OF DISARMAMENT

Nenad POPOVIĆ

DISARMAMENT is one of the most pressing problems today, and we shall not be far wrong if we say that all the complex threads of the international political situation are centred in it. It would be wrong however, to neglect the various economic implications of this network of problems. We are thinking of the circumstances in which armaments have penetrated to the very core of modern economy, as well as of the role they play today in purely economic movements; hence we must mention all the economic elements which necessarily determine the ways which should lead to disarmament.

The overall volume of world foreign trade, that is, the entire export, is valued at about 85 to 90 billion dollars annually. This is the most important indicator of international economy. During the last few years the volume of the world foreign trade has considerably grown, which indicates a more healthy state of world economy. There is no doubt that the sum of 90 billion dollars is quite imposing, and we are taking it precisely for this reason, in order to measure with it the importance of armaments in world economy. According to some calculations (in the United Nations a few years ago) the volume of expenditure for the requirements of national defence, that is, armaments, was valued at about 80 billion dollars annually in the Western countries alone. Since then some cuts have been made, but armaments still claim in the USA alone a sum of 45 billion dollars every year. When we add to this figure the possible or hypothetical expenditures for the requirements of national defence in the Eastern countries (the USSR, China) then one can imagine what stupendous sums are being spent today on the needs and aims which go under the general heading of armaments. From this it follows clearly that expenditure for armaments is a much more important economic category than the whole international trade exchange (including the export of capital in the forms of goods). We give these data in order to present a more definite picture of the greatness and economic significance of this

category which is often considered as purely political, although it is much more economic in character.

These data also show that the problem of disarmament cannot be solved rapidly. Even if all the necessary political conditions were realized and complete agreement reached on disarmament, it would still take a long time to carry into effect the complex programme of economic adaptation. The economic effect of ceasing abruptly to spend large sums on armaments would be as far-reaching as, for example, the abrupt suspension of international commercial exchange. We do not give this example in order to show that disarmament is impossible from an economic standpoint, but only to indicate the complexity and difficulty of the task. For if we were to neglect the economic implications and temporary difficulties in carrying out disarmament, such difficulties might make an excuse for abandoning the whole project. And it must be borne in mind that disarmament and world peace will always have opponents, who will not hesitate to make use of any expedients. That is why the problem must be approached carefully, always bearing in mind what its solution means, both for world economy and the individual national economies.

It is not necessary to insist on what it would mean for mankind if the means now being expended for armament were to be used for the advancement of under-developed countries. This is not an allusion, but an indication in terms of basic economy lever which of the practical way to solve this problem, as well as to realize a great aim. With the present shortage of funds for international financing on a longterm basis, the reorientation of armament expenditures surely presents a solution of both problems: how to save the world economy from armament expenditures and how to obtain the means for financing backward and under-developed countries and even for the new technical development of already developed economies. Viewed on a larger scale, disarmament is

only an economic aspect of the solution of the problem of liquidating backwardness on a world scale.

Armament expenditures interpolate between capital formation and overall expenditure. In the whole post-war period the chief problem in most countries has been that of inflation. Basically it consists of a rather simple relation: the overall expenditure in a given economy is below overall production (i. e., means). Expenses for armaments to say the least, mean sterilization of production capacities, or rather their utilization for non-economic purposes. This can best be shown by the example of Western Germany. Although she was heavily damaged in the war, Western Germany nevertheless now takes first place in West-European economy as regards expansion, and particularly stability. The most important element (though not the only one) in this is that German economy has not been burdened for several years (and is not yet burdened) with expenditure for armaments and defence. This has contributed to the stability of West German finances, so that the overall production at the disposal of the country covers and even exceeds her existing consumption, while expenditure on defence and armaments has not burdened the cost of production and prices, and there is no loss of competitive power on the world market.

Of course all this is only one side of the medal. We must not ignore the other side, namely, that in a deflationary crisis (such as occurred before the war and was expected after the war) armament expenditures can become the very element that upholds and stabilizes economic activity, that is, leads to full employment. But from that point of view the effect would be the same if great economic actions were undertaken (the improvement of communications, the building of schools, the development of the public health system, the construction of houses) or of capital in the form of goods — even as a gift — were exported for the purpose of developing and raising the purchasing power of those countries which cannot import foreign goods because they are too poor.

The purpose of this article is not to examine the historical conditions which have produced a situation in which armaments have become an essential part of today's world economy. It is a fact that this has penetrated into the very texture of economy, not only during the last war, but to a certain extent even before it. It must not be forgotten, finally, that some economists assert that the last war was nothing but a specific form of crisis affecting the whole economic system, as war expenditures (in the preliminary phase, i. e., expenditures for war preparations) appeared as an efficacious, politically opportune, economically needed, socially realizable and historically acceptable category. If in the general pre-war deficiencies it was not possible to find markets for the products of the existing plants, then the war expenditures would provide such markets. As we have said, the task of this article is not to review all this, but only to point out that the last war left a hugely developed economy to the whole world (precisely because production always had its market in spite of war expenditures and inflationary financing), which was adapted and made to operate at full capacity.

The period following the Second World War is often compared to that after the First World War. After 1918 a deflationary process began, finally ending in the great crisis of the thirties. Since 1945, on the contrary, the whole world has been combating inflationary tendencies and crises. After the First World War economy began to adapt itself to peaceful development. The first crises were an expression of this process of adaptation, while the great crisis was a proof that the developed economy (inter alia, because of the recent war) could no longer be pressed into the narrow frame of clas-

The Mission of Mediators

In a world where lack of confidence is one of those constants which continually endanger the maintenance of peace, the mission of mediators is not only humanistic in character but has a political function of the highest order. Antagonistic attitudes and egoistic ambitions have sown mistrust and erected barriers of exclusiveness at various places on our planet; and there is no doubt that without missions of good will and the help of mediators it would be extremely difficult, if not impossible, to reach compromises and approximate views on vital problems. This truth has long since been recognized, but it has not yet been adopted as a valuable and efficacious method for improving the general atmosphere in international relations.

Among the many tragedies of our time the Algerian drama stands out as one of the most painful, not only because a nation is obliged to pay the highest price for its liberation, but also because a country, well-known for its progressive and humanistic traditions, is passing through perhaps the worst moral and political degradation in its history. For years the Algerian patriots, with the rifle as their only resort, have been shedding blood for every inch of freedom, and for years various French Governments have been sending troops to Africa to realize an aim which, in our century, should not be considered by such a country as France. Devoted to the idea of independence, the Algerian fighters refuse to give in (which is quite understandable); while the official French leaders, stubbornly defending their colonial position, refuse to give it up (which is quite unreasonable): in the meantime the war goes on and the Algerian problem moves in a vicious circle. In this situation, the decision of President Bourguiba and King Mohammed V to offer their services of good-will for the cessation of bloodshed and the beginning of negotiations, has all the characteristics of a constructive and timely political mission.

As regards mediation, two things are important: the personalities of the mediators and the platform defined by them. It would be difficult to find anyone to deny that President Bourguiba and King Mohammed possess both the general and specific qualities to carry out the action which they have undertaken. With their statesmanlike abilities, these men have proved their worth even outside their own geographical region. As leaders of the former French colonies in North Africa which succeeded in winning their independence within the framework of the agreement on interdependence with France, they are also specially qualified to act as mediators in the conflict near their frontiers. The platform which, according to the opinion of Bourguiba and King Mohammed, might serve for establishing contact between the interested sides, has been cautiously and carefully formulated. Freely interpreted, it pleads for the liberation of Algeria from colonial tutelage and, instead of setting independence as the point of departure, it proposes self-government. The idea of compromise is, therefore, the basis of the middle course suggested by Bourguiba and King Mohammed: this is certainly a reasonable and realistic framework for their proposed mission of good-will.

The Algerian front of national liberation has refrained from attitude, "first independence and then negotiation", so that it may be in a position to accept the appeal of the eminent mediators, this demonstrating those moral qualities inherent in every liberation movement. Messrs Pineau and Gaillard, on the other hand, on behalf of official France, have hastened to reject the idea of mediation as unacceptable. Speaking at the congress of the Radical Party, M. Gaillard took the trouble to prove that the Algerian war was not costing the state treasury seven hundred billion, but "only" 350 billion francs annually, while Robert Lacoste found it opportune to declare that "the Algerians never had so many automobiles as in 1957", as if the Algerian army were not about 100,000 strong, and as if Mendes France's estimation that "we shall soon have to choose between the suitcase and the grave" is not the most realistic estimation of the actual situation in Algeria.

The mission of mediators is always welcome, as it paves the way for negotiation. Those who refuse to extend the hand of compromise are taking upon themselves a great responsibility before their own country and before the whole world.

sical capitalism. As the economy was a component part of the capitalist system, the breakdown of economy meant the breakdown of the latter.

After the Second World War developments were quite different. Long after the war had ceased, world economy essentially remained suited to the basic scheme of wartime economy, and to the wartime distribution of income. This was certainly not in such relative proportions as during the war, but nevertheless ten years after it the total mass of armament expenditure was larger than the total world export. Such an economic situation was not out of keeping with the world political situation — the so-called cold war. This is not the time or place to enquire whether the economic scheme provoked the cold war or the cold war gave rise to the economic scheme! It is most likely that they were mutually conditioned, simultaneously providing cause and effect.

In this article all the premises are more or less simplified and generalized, as its aim is to trace the economic aspect of the problems of armament and disarmament respectively. Certain specific characteristics of the general postwar and present world situation must not be ignored. Namely, although the expenditures for national defence were widely distributed, they chiefly centred in the biggest world economies, keeping them in a permanent state of full expansion and employment. That is why the post-war development was also characterized by the strong development of science and technical achievements.

Disarmament must be understood as a slow and delicate process of the removal of both the dead and the living remnants of the last war (including the cold war) which remain in the scheme of distribution of national incomes and in the

functioning of economies. What is needed therefore is to eliminate something that is part of the essential texture of present-day economy. It is perhaps premature to assert that this is fatal cancerous growth of the organism, but it may be called a parasite which has had its necessary (if not profitable) function, but which has now become an objective danger. This danger is perhaps greater politically than economically, as it creates the actual conditions for a future war, and even provokes and seeks it.

Efforts for ensuring world peace, and hence the very existence of mankind, must be directed towards disarmament and the elimination of the dangerous remnants of the past and the even more dangerous living growths of the present. This process is neither easy nor simple, but it is equally certain that this great task presents the only possible and inevitable path that can and must be followed in the future. Economically and financially, disarmament is only another aspect of the cardinal world economic problem — how to develop backward regions inhabited by over three fifths of mankind. If armament expenditures were eliminated then it would hardly be possible to assert that contemporary world production cannot ensure such a formation of capital as would satisfy the needs of development. In the same way technically liberated plants, with the investment of comparatively small sums, could be switched over to useful production.

No matter how much this complex problem may be further complicated by the economic aspect of disarmament, making it more difficult and more delicate, it is nonetheless a fact that it is precisely the economic aspect of the matter which indicates the possibility of its solution, and its solution is urgent if mankind wishes to move forward.

COEXISTENCE AND THE ROLE OF MASSES

Marija VILFAN

Secretary of the Commission for International Relations in the
Socialist Alliance of the Working People of Yugoslavia

NEVER before in the history of mankind were so many millions of people stirred in a single period as during the last fifty years. There is no doubt that this phenomenon is the result of enormous economic changes which took place during the last few decades.

World War I separates two epochs. Up to it the world was clearly divided into a small developed part and a big undeveloped one. This relationship had been evolving since the sixteenth century, and passed through various phases. Initiative and activity came from the developed world and the undeveloped part accepted this division of roles passively. There was resistance, of course, in the undeveloped part of the world but it was the resistance of the forces of the old order, a desperate attempt to come again to the fore in the face of more progressive and stronger forces.

The problem of world rule was exclusively a problem of the developed part of the world which, in the few decades preceding World War I, distributed portions of the Globe among the biggest developed countries. They competed for the division of the world while the undeveloped regions were mere objects in that game. Development and progress were called the „white man's burden“, the „burden“ of a small group of western nations. The undeveloped part of the world did not yet set the problem of its development as a special problem, still less as a problem in the solution of which it should play a leading role.

This relationship between the developed and the undeveloped parts of the world had an economic basis. The developed part was the industrial workshop for the whole world, while the undeveloped part specialised in producing agricultural goods and raw materials. That relationship was based on a specific international division of labour on which a certain balance of world trade and circulation of capital was also founded. London was the center of world trade and world finance.

All this had started changing imperceptibly even before World War I. Yet the war sped up and strengthened a whole series of processes which, in the course of the World War I and the following decades, finally destroyed the old and started building up the new material basis of the world.

During World War I industrialisation was inaugurated in some non-European regions and accelerated in others. This happened in all the British dominions and in many Latin-American countries. After the war the industrialisation of some peripheral European states continued at high speed, while for others the end of the war signified the beginning of industrialisation. In the developed part of the world, a new relationship in economic forces set in. The United States of America which up to then had been a debtor-country became a creditor-country. Production there reached a new, unprecedented level. On the other hand, the Western European countries lost many of their positions in the world. Western Europe was, moreover, directly hit by the war and the problem was complicated by German reparations. Viewed economically, the October Revolution, too, was of enormous significance. It was the beginning of a very intensive economic development of Russia's vast areas and of the

* Lecture held in August this year at the Quaker conference for diplomats at Clarens in Switzerland.

establishment of a new economic relationship with the rest of the world.

All these processes led to a new international division of labour and thereby to a dislocation of the balance in world trade and circulation of capital. This brought about the great depression of 1929-1933.

Parallel with the concentration of all economic affairs in the hands of the state in the USSR, under the influence of the great economic crisis government intervention increased in the rest of the world as well. The cessation of automatism in the functioning of world trade gave the governments a growing role in foreign trade exchanges, the world market was thus out up into the economic zones of individual countries. Further, the problem of economic development was no longer left to the workings of automatism but became the concern of national economies.

Analysed from this angle, World War II did not introduce any essentially new processes. It signified only the deepening and strengthening of processes which first manifested themselves during World War I and after it. There is only one essential difference: after World War II became obvious that it was impossible to seek solutions to problems of economic relations in the world simply by turning the clock back, by returning to old ways and means, the old forms. Besides, it became quite clear that the problem of economic development was a special problem whose solution would probably exercise a decisive influence on many problems. We also have to note that after World War II, Asia and Africa became active factors in world economic events.

The cutting up of the world market into economic zones of individual countries does not mean that the world market has ceased to exist. The processes which led to such division and closing off, which have the same roots everywhere, are the expression of a unified process of technological development of the whole world. This is an even more important basis for the unity of the world than material interdependence and the linking up of the various parts of the world by communications. It is therefore possible to solve these problems only on the basis of a contribution by each nation to the common task.

SOCIAL CHANGES

World War I also marked a change in regard to the role of the masses. The masses, as a special phenomenon of society were formed in the industrial revolution towards the end of the eighteenth and beginning of the nineteenth centuries. They played a role in the XIXth century and had a political life of their own. Yet there is a big difference between the role they played up to the First World War and the role they played during the second World War and after it. Before the First World War they were, so to speak on the fringe of society; they were part of society, but not recognized by it. After World War I, all this changed fundamentally. The October Revolution itself was only the most dramatic manifestation of the changed role of the masses.

Speaking of economic changes we mentioned a number of manifestations such as industrialisation, changes in international division of labour and intensification of economic development in the undeveloped parts of the world. As a result of all this, the masses grew quantitatively and conditions were created in which they could make material demands. The end of World War I was followed by the greatest social upheavals while revolution was victorious only in Russia. In the west, workers won new rights such as collective agreements and social insurance. They asked for family allowances, paid vacations, educational facilities, consultative functions in management and nationalisation of key industries. Some of these demands were realized. For example the eight-hour work day, for which organized labour had battled for nearly half a century, was legally recognized. A specialized international agency, ILO, was created, and attached to the League of Nations. The problems of the working class were thus recognised, at least formally, being of international importance.

In the developed countries, the great depression resulted in unemployment. This problem was not only a national economic problem but at the same time a serious social problem, the problem of the living standards of the working masses. The climate for the welfare state was being created. It meant the growth of state subsidized social security and health legislation, housing construction

and progressive taxation of profits. Parallel to this free educational facilities grew. After World War II the Welfare state has developed in one or the other form everywhere in the West.

The above mentioned economic processes had similar effects in the undeveloped parts of the world as well. Movements in the colonial countries became mass movements and also changed in character. From what was once the resistance of feudal and tribal remnants which yearned to revive what was gone forever, they became movements which were themselves the result of all that foreign domination brought in its wake, movements which wanted to develop a modern way of life through special forms corresponding to their particular conditions. The mass basis of modern nationalism was being born in under-developed countries. These movements wanted to build up their own national states as a framework within which they could fashion a new and modern life. They also manifested growing aspirations with regard to their living standards and this in turn made the problem of their economic development more acute.

Then came problems of a new kind. The new problems are best illustrated by the set of questions connected with the nationalisation of industries. The nationalisation of industries took property away from the individual owners and passed it to the state. Thus the question was solved only partly: it was no more one or several individuals who disposed of the means of production and of the goods which thousands and thousands of people turned out. Yet the question of who should replace the individual owner was not solved in a satisfactory way. The replacement of the private individual by a representative of the government, by a bureaucrat did not solve the problem of the worker's participation in the management of enterprises. The problem is a grave one since in other spheres of life, too, the individual also comes up against the government apparatus which, with the growing role of the state has become increasingly ponderous and powerful. This has led in some cases to a purely negative reaction towards the Welfare state, in others to attempts at reorganisation of the management of production.

POLITICAL CHANGES

With World War I, the political map of the world started changing fundamentally. Russia was constituted as a federation, some of its parts became independent states. Austria-Hungary broke up, national states were created in Central and Eastern Europe. The Ottoman Empire went to pieces. Turkey itself passed through a national revolution and constituted itself as a national state of the modern type. The remnants of the Ottoman Empire and the German colonies in Africa were included in a new system of administration, the so-called mandate system. This meant, in principle at least, an acknowledgement that the problem of dependent nations and their development was an international one. After World War I the foundations were laid for British Commonwealth as constituted to-day.

We mentioned above that this process was the first result of developing new international division of labour. It increased, in its turn, the negative consequences of the changing international division of labour on international trade and international finances. Yet it would be wrong to see in the emancipation and formation of national states the cause and not the effect of deeper economic processes.

World War I gave birth to another phenomenon which also waved the banner of nationalism: to fascism. Yet there is a deep difference between fascism as it manifested itself in Italy and Germany, and the new national movements. Fascism attempted to build up an international order on the basis of the domination of one nation, and in this respect meant turning the clock back. New national states on the other hand strive towards equal partnership in the solution of world problems and want the right to solve their own problems themselves. The difference between fascism and national movements also manifests itself in the attitude towards internal problems. Fascism tried to force "discipline" on the masses, the national movements spring from the masses and bring them into action. Hence, to describe these movements as fascist — which is not infrequently done in the West today — is, at least, a fundamental historical error.

Fascism provoked World War II. Its defeat meant victory and the strengthening of those tendencies in international life which it

tried to crush. The result of World War II was the liberation of many dependent nations. Of 82 members of the United Nations Organisation nearly one fourth are recently formed states.

The USA and USSR, emerged from World War II as economically the strongest countries. Each of them became the nucleus of a bloc and the world became divided into two blocs. Thus the struggle against the attempt to turn the block back ended on one side, with the creation of the United Nations which provides a common platform for the whole world and on the other with the formation of these two blocs. Both blocs which have conflicting viewpoints in practically every sphere of international life, also represent themselves as two ideological blocs. In reality this antagonism is much more complex. Its roots do not lie in the ideology but in the material conditions. To a great extent the antagonism between the two blocs is an antagonism between two great powers, an antagonism

with regard to their role in the solution of world problems. Besides, economic competition plays a big role.

The fact that there is an increasing number of states which refuse to join either bloc proves that ideology was of secondary importance in the creation of blocs and in their antagonisms. This shows that neither bloc adequately meets the challenge of the processes which are taking place in the contemporary world.

To repeat: In the political sphere the economic processes we have been speaking about resulted in the emancipation and creation of new independent states. They are only partly hidden by the antagonisms between the two blocs. In the internal political life of individual countries, these economic and social changes led to the acknowledgement of the political role of masses.

(To be concluded in our next issue)

COMMENTS

EAST - WEST TRADE

Radoš STAMENKOVIĆ

THE MEETING of the Trade Committee of the European Economic Commission revealed several encouraging tendencies in the development of trade relations between the East and West European countries. This, however, is a field in which sensational changes cannot be expected to take place in a single day. For even if we leave aside the political aspect of the problem, which has been influencing the economic relations between the two European regions since the war, there are other elements which would make such sudden changes impossible even in a much more favourable atmosphere. The process of industrialization in the East European countries, which determined their post-war economic policy, could not but affect the structure of their foreign trade and introduce certain changes in it. If we bear in mind that this process of industrialization was an integral part of the development of a new social order, it becomes clear that these changes, some of which would in any case have been caused by industrialization alone, in these circumstances assumed a more important and specific character.

There is no need to emphasize that bloc conceptions have been responsible for the drastic reduction of trade between the eastern and western parts of our continent; and neither is there any need to emphasize that this reduction in trade harms the economic development of Europe, as well as her economy. These are well-known facts, and we do not propose to dwell on them. It must be stressed however that the process of normalizing trade relations between Eastern and Western Europe must, by its nature, be a long one, that it necessitates planned actions to tackle, not only one but many aspects of the problem. The two areas have been living without considerable contacts for too long. The structure of their production, particularly that of the East, has changed considerably since pre-war times. The trade of before the war, when the Eastern countries practically exported only agricultural products and the West industrial goods, would no longer correspond to the existing conditions. Both regions have developed their regional organizations with specific institutions and rules of conduct. And at present there are no contacts between these organizations — no machinery which could lead to ge-

neral European cooperation. It is understandable therefore that in the improvement of East-West trade progress must be gradual, and that every action which contributes to this progress, however little, must be supported.

In view of all this, the 20% increase in East-West trade (reckoned by its value) which was recorded in 1956 was a step forward in the development of economic relations between the two regions, the more so since data released by the European Economic Commission show that the rate of export increases in both regions was almost the same. The problem of balancing trade, which was acute in the previous years, was not so sharp last year. And although no final trade figures for this year have been issued, the available data show that the expansion of trade, started last year, is continuing at a somewhat quicker pace.

The articles exported by the East European countries were more varied than earlier. The traditional articles of export — grain, coal and timber — which once accounted for more than half of the total volume of export from these countries, made up only one third of this volume in 1956. This was partially due to decreases in the export of these commodities, but mostly to changes in the structure of production. The effects of industrialization are also beginning to be felt in foreign trade.

Industrial articles exported by Eastern Europe last year were mostly machines and motor vehicles. It is interesting to note that cars made in Czechoslovakia and Eastern Germany are successfully marketed in the West European markets, including those of such highly developed countries as Sweden, Holland and Western Germany. Naturally, cars exported from these two countries make up only a small percentage of the number of cars imported by Western Europe, but the figures are not insignificant. And this shows that the ability of the East European countries to compete with other countries has increased.

The efforts which are being made in the East European countries to decentralize economic administration may prove to be of decisive importance for the expansion of trade between the East and West. In Poland, for instance, the relation-

ship between decentralization and endeavours to expand trade is evident. The decentralization of the commercial machinery consists of granting greater autonomy to trading enterprises in relations with foreign countries, and to set aside a certain percentage of the funds earned by exports to the East European countries for purchases of goods and raw materials in Western Europe. As the quarterly bulletin of the European Economic Commission states, Poland has not renewed her triangular trade agreement with Finland and the Soviet Union, under which Poland imported goods from the Soviet Union and paid for them by funds she earned by exporting products to Finland. From now on Finland will pay for her imports from Poland in pounds sterling, and this will enable Poland to increase her purchases in Western Europe. Besides this, Poland — with her trade agreements with the West European countries — is endeavouring to increase the export of articles which are paid for in sterling, so as to be able to import a greater variety of goods.

For the time being it is difficult to say anything definite about the effects of economic decentralization in the Soviet Union. This does not affect her foreign trade machinery, which is functioning as before. But as decentralization in general changes the distribution of production and increases the effectiveness of production enterprises, it may act as a stimulus for devoting greater attention to the benefits to be derived from a wider international division of labour. It may be presumed that the new territorial division of Soviet industry will encourage the frontier regions to think about the advantages of developing trade relations with foreign countries, since in some cases such relations may prove more profitable than trading with far-off centres or the markets in the country itself.

In the West European countries, too, there have been signs to show that they are ready to expand their trade with Eastern Europe. First of all, a certain number of countries have lately eased controls affecting trade with the East, at the same time taking other steps which make it possible for the East European countries to market more of their products in the West. Particularly interesting are the payment facilities granted by Western Germany and Italy to their East European trading partners — facilities which may be an encouragement to other countries as well. Western Germany offers the Bekomark, which is convertible in certain areas, to all East Euro-

pean countries except Eastern Germany, with which she trades on the basis of bilateral clearings. At the beginning of this year Italy, too, declared her intention of introducing the convertibility of the lira, in order gradually to replace her clearing arrangements with the East European countries. The first step in this direction was the new trade and payments agreement with Eastern Germany, which should be the model for trade relations with other countries.

Finally, no one should disregard the procedure of multilateral compensations within the European Economic Commission, which began functioning in the middle of this year. This is a simple process, based on the voluntary actions of interested trading partners, and not on any agreement. And it is in this that its value lies, since it does not bind any one to anything, but makes it possible to transfer funds earned in bilateral trade to other partners. By itself, this machinery cannot solve the complex problem of accounts between the East and West European countries, which is a formidable obstruction to the development of their mutual trade. But in view of the new possibility of using the convertible mark and the lira, as well as the pound sterling, multilateral compensations within the European Economic Commission constitute an important instrument in facilitating payments between the two European regions.

Today one of the greatest obstacles to the normalization of economic relations between East and West is the lack of contacts between the two chief regional (or sub-regional, to be more correct) organizations — the Organization for European Economic Cooperation and the Council for Economic Assistance. These two organizations are exclusive, and this is what prevents a general European approach to a number of problems which are more or less common to both regions. Contacts between the Organization for European Economic Cooperation and the Council for Economic Assistance, which could best be established within the European Economic Commission, could lead to important changes in the economic relations between East and West, and so usher in a new period in European cooperation. Naturally, political considerations play an important role in this too, but many facts recorded in the last few years permit us to come to the encouraging conclusion that economic matters are now being approached in a more sensible way on both sides of the Continent of Europe.

MIDDLE EAST IN INTERNATIONAL RELATIONS

Voja ARSENIJEVIĆ

IN 1945 the aim of Great Britain was to turn the Middle East into a bastion of her power, under her own guidance, and throughout the Second World War she consistently and painstakingly endeavoured to create the necessary prerequisites for the realisation of this aim. The approaching war made her rely more and more on the Arabs, and she again started to advocate the union of the Fertile Crescent (Iraq, Syria, the Lebanon, Transjordan and Palestine), as she explicitly promised to the Arab leader, Sherif Hussein, thus tacitly recognizing the Hamites as the ruling dynasty. But the plan ignored the interests of both France and the Zionists, to whom she had promised a national home of their own in Palestine. In the interwar period no conditions existed for such a plan and for good reasons nothing was done about it. The situation, however, changed, with the outbreak of the war. In 1939, therefore, Britain organized a conference of Arab representatives in London, and some time later she published a white

paper which, despite the Balfour Declaration, restricted the immigration of Jews into Palestine.

The capitulation of France and the appearance of the Vichy government, which took over the administration of Syria and the Lebanon, turned these two countries into bases for hostile activities in the Middle East. Great Britain, therefore, had both opportunity and reason to occupy them.

During this time Great Britain was in a position to formulate Arab policy in the entire region, since she again occupied, as in the First World War, all the Arab countries except Saudi Arabia and the Yemen.

In order to realize these aims it was necessary to oust France from the Middle East and unite, politically, the Fertile Crescent, under the leadership of the Hamites. The identity of interests with the Hamitic dynasty was to assure her of mastery over the whole of the Middle East. At the same time, she re-

ckoned with the gratitude of Syria and the Lebanon for liberating them from French rule.

The chief advocate of this plan was, naturally, Nuri Said Pasha, who, as Britain hoped, was to be the builder of the empire. The plan which Nuri Said, as Prime Minister of Iraq, published in a blue book in 1943, provided for the creation of Greater Syria (Syria, the Lebanon, Transjordan and Palestine) in federation with Iraq. However, this plan was not approved in any of the Arab countries except Transjordan, whose ruler, Abdullah, hoped that one day he would become the master of Greater Syria — alone, or jointly with the Iraqi branch of the Hamitic dynasty. Egypt and Saudi Arabia were against any unification of the Fertile Crescent under the Hamites, because they feared they would lose the chance of leadership in the Arab world, to which they aspired. Saudi Arabia had another reason to oppose this and similar plans, and this was that the strengthened Hamites might raise the question of Hejas, from where they had been ousted by Ibn Saud in the interwar period. Finally, the plan was also opposed in Syria and the Lebanon, where the ruling circles preferred their republican order to any large monarchy. In reply to Nuri Said's plan, Egypt came forward with a proposal for the setting-up of the Arab League. Confronted with the unfavourable reception of her plan, Great Britain was forced to accept the Egyptian proposal, in the hope that it, too, would enable her to dominate the Arab East. But she and her proteges, the Hamites, did not give up their plans for the creation of Greater Syria and for the unification of the Fertile Crescent.

In the expectation of favourable conditions for the realization of these plans, Britain continued to pursue the policy of „invisible occupation“. Just as she granted independence to Iraq in 1930 and to Egypt in 1936, she renounced her protectorate over Transjordan and turned it into a kingdom.

In addition to her military and political positions, Great Britain had also powerful economic positions in the Middle East. British banks, shipping and insurance companies, chambers of commerce, travel agencies and airlines, held important positions in the region, and what was the most vital, Great Britain had large interests in the production of oil. Besides this, Britain's export to the region was considerably increased because she had accrued debts during the war. Her debt to the countries of the Middle East amounted to 600 million pounds sterling (400 million to Egypt alone).

Her position, however, began to weaken soon after this. The setting-up of the Arab League in the spring of 1945 did not produce the desired results. Two camps were created in the League — the Cairo-Riad alliance against the Amman-Baghdad axis. Syria and the Lebanon were the cause of the conflict between the two camps. Owing to this, and indirectly also to the disagreements between the Great Powers, political life in these countries was unstable. The role of the Arab League continued to be symbolic (the symbol of Arab unity). The League, it is true, played a definite role in forcing France to withdraw her troops from the Levant, because this corresponded to British interests. Similarly, the Arab League played a certain role in the struggle for the national independence of the Arab countries. Control over the Arab League was actually exercised by Egypt, which made it possible for Cairo to undermine the British plans for the domination in the Middle East. In this Cairo's position was strengthened by the appearance of the United States on the Middle Eastern scene.

At first the interests of the United States were of an economic character — participation in the extraction of oil in Iraq and the exclusive right of oil exploitation in Saudi Arabia. The old colonial relations do not correspond to the interests of the United States as much as the independence of the old colonies. The anti-colonial policy of the United States is, however quite restricted in scope. She supports the former

colonies only as far as they allow American capital to make investments in their economies. Furthermore, her relations with the new independent states are complicated by her bloc conceptions and her bloc alliances with the colonial powers. In the struggle to oust Great Britain from her positions in the Middle East, the United States relied on the Cairo-Riad axis. But it was the creation of Israel and the outbreak of the Arab-Israeli conflict that brought about United States active interference in political relations in the Middle East. In the American plans Israel figured as a stepping-stone for the penetration of American capital into the Middle East, and as a counter-balance to British plans for unlimited domination in the region. The problem of Arab-Israeli relations was, in a sense, a mirror of the relations between the United States and Great Britain. Great Britain, immediately after the proclamation of the State of Israel, withdrew her troops from Palestine, leaving Israel to fight against the numerically superior enemy. The Arab Legion of Jordan, trained and headed by British officers, then played a very important role in this conflict, and the man who benefited most from it was the British protégé, King Abdullah of Jordan. He enlarged his territory by 5,000 square kilometres and trebled the number of his subjects.

After leaving Palestine, the balance sheet of British policy was not at all favourable. All attempts to realize her plans failed. She supported the Arab League, tried to unite the Northern Arabs, kept bases in the region and withdrew from Palestine, but she did not improve her position. On the contrary, she soon experienced new difficulties. With the dispute over Iranian oil, the conflict over the Suez Canal and the Sudan, and her association with King Abdullah, her position in the Middle East further deteriorated.

The dissatisfaction of the masses in the Arab countries, and their striving for independence were often manifested in demonstrations and protests against the mastery of Great Britain. All this showed that the anti-colonial revolution was developing, and even approaching its climax.

THE GROWTH OF ARAB NATIONALISM

THE negotiations for the creation of an Egyptian-Syrian federation constituted a significant event in the history of the Arab countries. The idea of Arab unity came into being at the beginning of this century, but at that time it had no deep roots among the masses and, in fact, this unity depended on the strengthening of Arab nationalism. The Arab national consciousness, however, grew too slowly. The differences between the historical development of the Arab regions were further increased by their new division. The Great Powers found allies in the feudal lords who helped them to strengthen their positions. All this caused unequal developments in the Arab countries, and created special interests among the ruling classes. The Great Powers fanned the contradictions which arose from the particular interests of the individual Arab countries — from their unequal political, social and economic development. Their dependence, direct or indirect, on the Great Powers, i. e., their backwardness and weakness, made them powerless to conduct their own affairs or shape their own destinies. It was only with the strengthening of the national dependence of individual countries in that area that conditions were gradually created for the Arabs to make their voice heard, and to exert greater influence on developments in their region.

The Egyptian Revolutionary Council, which came in power on July 23, 1952, was, in many respects, a historical turning point in the life of both Egypt and of the entire Arab East. For five years now the new regime in Egypt has been

leading the Egyptian people from one success to another in the struggle for their national and social emancipation. In a period of only two years it solved two important national problems — the question of the Sudan and the evacuation of the Suez Canal Zone.

The plans of the West to include all the Arab countries in the Baghdad Pact were sufficient to revive the bitter struggle of those countries against bloc politics and attempts to draw them into the cold war. In the struggle for the right to shape her own destiny, Egypt emphasized that the solidarity and unity of the Arabs was their only means of defending their independence, individually and together, and that such unity alone could ensure the development of the Arab countries, and save them from becoming victims of new forms of colonial dependence.

For the Arab countries the Baghdad Pact appeared as a means of neo-colonialism which, with Israel as its bridgehead, threatened their independence and which hampered the realization of their national aspirations.

To counter-balance the Baghdad Pact and the policy of Nuri Said, who was called the „puppet“ of the British crown, and not without reason, the Arab countries concluded a series of mutual assistance agreements. The conclusion of the Egyptian-Syrian agreement on mutual assistance on October 20, 1955 was followed, one week later, by the signing of the Egyptian-Saudi Arabian agreement, to which later the Yemen also became a signatory. Instead of the expansion of the Baghdad Pact to other Arab countries, something entirely different happened. Iraq, as the only Arab member of the Pact, became completely isolated from all other Arab countries. What is more, the pressure exerted by the internal forces on the ruling circles of Iraq was extremely powerful. Jordan, which was linked with Iraq by dynasty bonds, and with Great Britain by the Anglo-Jordanian Treaty, was shaken in its foundations by demonstrations against the Baghdad Pact and the Anglo-Jordanian Treaty. The dismissal of General Glubb from the command of the Arab Legion was accompanied by new demonstrations and, finally, at the October elections, the Jordanians expressed their wish to establish closer bonds with the other

Arab countries. The signing of the Agreement on Mutual Defence with Egypt and Syria was the direct outcome of the October election.

As we have seen, the role played by Egypt in uniting the Arab countries in the struggle for the preservation of their independence and for their peaceful political, economic and social development was great. This was quite natural. For Egypt, as the largest and, in many aspects, the most developed and wealthiest Arab country, and situated in the centre of the Arab world, is a natural point of attraction for the Arabs. And as soon as the subjective forces of Egypt, which were ready to fight for the Arab cause, came into power, Egypt really became the leading Arab country. The overthrow of Farouk, the banning of the corrupt political parties, the agrarian reform which considerably improved the social and economic position of about one million peasants, the improvement of the social and, to some extent, the economic position of the working class, and the efforts of the Government to promote all-round development of the country, were all approved by the broad Arab masses. It is not surprising, therefore, that the Arab masses consider Egypt to be the fortress of independence and progress.

The withdrawing of the Universal Suez Canal Company concession, as a great step towards the liquidation of economic dependence, and the successful resistance to the tripartite aggression, increased the prestige of new Egypt still further in the eyes of the Arabs. What is more, these events mobilized the masses in the struggle for independence and social progress.

It is not by chance, therefore, that Syria has linked her fate with that of Egypt.

After a period of political instability in Syria, which lasted several years after she had gained her independence, the country finally consolidated its position. The overthrow of Shishakly in 1954 did not produce the results expected by certain internal and external forces. On the contrary, the elections at the end of the same year — which were the freest elections in the history of Syria — were won by the forces supporting independence, social progress and Arab unity, and these forces have been considerably grown since then.

FORTNIGHT IN THE WORLD

LATIN AMERICA - CONTINENT OF TURMOIL

Jaša ALMULI

WHILE the whole world is tensely following the first bold steps made by man in the universe, the apprehensive symptoms of a new intensified armaments race, the multitude of events in the Near East and all the decisive changes occurring among the African and Asian peoples — events in Latin America are relegated to second place in the world chronicle.

Though they do not arouse much interest owing to the fact that Latin America is not on the chief world routes and is outside the range of centres of

conflict between strategic interests — they nevertheless complete the picture of the world in which we live.

Let us glance at the events in Latin America during the last few days and weeks.

After the recent attempted assassination of the dictator Castillo Armas in Guatemala, which was classified as the „Banana Republic“ after the foreign intervention of 1954, the regime has again been forcibly changed. The guerilla war against Fulgencio Batista's government in Cuba has not ceased. After the termi-

nation of Odría's dictatorship and last year's presidential elections, when Peru saw the first rays of a democratic order, constitutional freedom was again destroyed, following a wave of workers' strikes. Two more general strikes shook Argentina recently, and its Constitutional Assembly, formed at the first elections after the fall of Peron, was dissolved before carrying out the assignment given to it. In Chile, whose political situation is just as extravagant as its geographical position, there is another government crisis, making the number of cabinet reconstructions during the mandate of President Ibanez, thus almost beating the European record of France for the number of governments since the last world war. And reports coming from Bolivia, after two spectacular hunger strikes of President Hernan Siles Zauz, say that a plot was discovered to separate a whole large provinces from the rest of the country.

There is almost the same picture of dissension and turmoil everywhere — from the volcanic region of the Caribbean Sea down to cold Tierra del Fuego.

The permanent factor of this instability is, certainly the social and economic composition of Latin America. The power of the big landowners and of foreign capital in these backward and underdeveloped countries creates a perfect terrain for outside interference, coup d'états and dictatorships. In those Latin American countries, however, which have been proceeding with industrialization during the last few decades side by side with the old feudal social forces, new strong forces of workers and bourgeoisie have appeared. But the old forces have not yet gone, and new ones have not quite developed, so their complex interaction creates a very fluid socio-political situation.

ARGENTINA SEEKS INTERNAL STABILITY

ARGENTINA gives the impression of a country which was unable to live in the old under Peron, but which has not yet learned to live in a new way. After two dramatic coups d'état in the autumn of 1955, which destroyed Peron's ten-year-old regime, Argentina experienced a series of smaller or larger revolts and strikes. Three months ago it seemed that the elections for the Constitutional Assembly had marked the last phase of the rule by military junta, i. e., General Aramburu and Admiral Rofas. But the elected Assembly disintegrated before it had fulfilled its rather restricted task, as more than half of its members walked out of the session.

Now, after two general strikes, which took place in September and October, Argentina is expecting another of internal crisis. Parliamentary and Presidential elections have been scheduled for February next year. But will they really take place, and will their results clear up the unsettled internal situation?

The stormy history of the short-lived Constitutional Assembly and the uncertainty of the Presidential elections are, in fact, only the outward aspects of a deep economic and social crisis in Argentina.

During Peron's regime, which was of a clear state-capitalist character, the economic and social structure of the country underwent great changes, mainly through industrialization. But although the bourgeoisie and the workers strengthened their position during this regime, the big landowners and the wheat and meat barons retained their power, particularly their economic power. Peron fell, among other reasons, because the opposition campaign of the landowners which, in a complex interplay of events, coincided with his accumulated mistakes and

sins, with the increased economic difficulties of the country, and with the sharp conflicts in the class whose rise he himself had favoured. The new Argentine bourgeoisie, which had grown largely through Peron's policy of industrialization and protective measures, tended to free itself from the state, capitalist restrictions and from its social obligations towards the workers. At the same time Peron was opposed by the petitbourgeoisie which, pressed by the inflation, displayed its dissatisfaction with the corruption, the administrative ineffectiveness and the restriction of political liberties. Only the urban working masses who, through Peron's industrialization, labour and social legislation, came to enjoy far better working and living conditions than those that prevailed on the big estates, remained with the „deskamisados“ leader. After Peron's fall, therefore, the question was which of the victorious social sections would take over the leadership of the country, and how to check the dissatisfaction and the power of the workers.

The crisis which then broke out was only temporarily alleviated by the rule of the military junta, and by the optimistic proclamation of a new era of democracy and national recovery. It became evident that the honeymoon of Peron's successors would be of short duration, that they were divided in their aims, and that the country was without social leadership.

The traditional conservatives, i. e., the landowners, were not capable of taking over this leadership, although they had hoped that Peron's fall would automatically restore the old state of affairs.

The one-time aristocratic exclusiveness had in the meantime been replaced by democratized social relations. Once a semi-colonial and more or less monocultural country, Argentina had now become one of the most developed countries in South America, freeing itself gradually from the dependence of the British market and capital, and strengthening its economic and political independence. The Argentine conservatives with their old aspirations and conceptions therefore could not represent the strivings of the country and, what is more, they were discredited through Peron's long struggle against the power of „home oligarchy and foreign capital“. What was particularly important in this new situation, was that they were deprived of all opportunity of using the old methods of parliamentary struggle, with the aim of exerting influence on the government, because the workers, organized in trade unions, won over their one-time obedient voting machinery in the villages.

Owing to this the military junta, despite the sympathy of its individual elements for the landowners, could not rely solely on the insignificant and split Conservative Party or meet all the demands of the landowners. It is true that it gave priority to agriculture in its economic policy, and also abolished the state monopoly over the exports of the chief agricultural products through which Peron,

by fixing prices, transferred a part of profit made by the big farmers into funds for industrialization. The Conservatives, however, did not succeed in getting the Government to abolish Peron's decree under which tenants were guaranteed stability on the land of big owners by restricting land rents to the level of 1943.

As far as the Argentine bourgeoisie is concerned, it, too, was not equal to the task it was faced with, although its Radical Party was active, even during Peron's time. The ranks of this Party were split, just as were the bourgeois parties in all the more developed Latin American countries. The Radicals were divided in several right-wing groups, which were finally united into the Union Civica del Pueblo, under the leadership of Ricardo Balbin. These groups represented the section of the bourgeoisie engaged in various banking and commercial activities, which was linked with the old semi-colonial structure of the economy and with foreign capital. It was against any considerable participation of the state in the economy or in the national economic policy, concealing its essentially conservative economic liberalism behind the facade of formal political liberalism.

On the other hand, there appeared in the Radical camp a powerful group of the left-wing Radical bourgeoisie, led by Artur Frondizi, which was called the Union Civica Radical Intransigente. Opposing the military junta, Frondizi's Radicals came forward with a proposal for nationalism in economic policy and industrialization, together with planned state measures and full recognition of the achievements of the working class.

While the right-wing Radicals, possess nothing to attract the masses, Frondizi's Radicals, owing to their earlier conflicts with Peronism, did not secure any appreciable support among the workers, and it even antagonized a section of the bourgeois Radicals. None of the two bourgeois group formations, therefore, could take over the leadership of the country with any degree of certainty.

Experience has shown that the Argentine workers have acquired material and organizational achievements which cannot be destroyed, and that during Peron's rule they separated from the traditional parties in the country — the Conservatives and the Radicals. Although the military junta attacked the General Confederation of Labour, imposed its commissioners on it, and exiled a number of its leaders, the workers displayed considerable firmness and unity in trade union actions. What they particularly sharply opposed were attempts to put the burden of the economic crisis on their shoulders. The military junta, meanwhile, fixed workers' wages at last year's level, abolished subventions to individual essential products, and restricted the right to strike, without doing anything to prevent increases in prices (which, for the ten most essential articles, rose by about 40% this year), causing a ceaseless chain of strikes. During the last general strike, in October of this year, 69 of 86 trade union

associations appealed to their members to strike, demanding that the state of emergency should be abolished, restrictions on wages lifted, the law on the restriction of the right to strike annulled, the arrested trade union leaders released and wages increased.

The two years' struggle of the working class of Argentina for the consolidation of social achievements and for the prevention of the constant deterioration of the living standard, led to the strengthening of its social consciousness. Left to themselves in the new situation, the workers finally had an opportunity of seeing that their living conditions did not depend solely on a „paternal“ president and the „above classes“ regime. The Argentine working class, however, is only beginning to consolidate its political independence, and this is not merely because of its youth and the great influence of Peronism, but also because of the mistakes in the earlier policy of the Communists. A wide and independent workers movement has, yet to be formed in Argentina. Thus the working class in the last two years has been in a position only to resist the new regime, but not to influence internal political developments.

* * *

But the instability of the situation in Argentina is not only the result of the activities of various class forces, none of which was able to find a way of imposing its authority over the others. Its roots are to be found in the difficult economic situation, which is partly inherited from Peron's regime — a situation which has deteriorated in the last few years. This situation is characterized by rising prices and uncontrolled inflation, stagnation of production, decreases in the gold and dollar reserves and increases in the balance of payments deficit.

The factors which led to this deterioration are very complex, but some of them, owing to their social characteristics, are particularly conspicuous. Laying emphasis on agriculture, which Peron, in view of its structure, really discouraged by his measures, might in a certain sense be justified, but as a basic orientation of the country it cannot correspond to a semi-developed country whose urgent need is industrialization. Furthermore, a large part of the Argentine bourgeoisie has not been sober and thrifty enough; it has only sought to impose the burden of the crisis on the working class. In all this a great role was played by foreign factors: the falling off of foreign trade and the lack of foreign capital for economic development.

The military junta, owing to the increased political influence of the landowners, relied from the beginning on the landowners' British partners, but British capital can neither in intention and capacity satisfy Argentine needs. As far as the United States is concerned, it has not shown any understanding of Argentine difficulties and it maintains a reserved

attitude, expecting that Argentina will make the desired concessions. The military junta, regardless of its possible subjective views, has not been able to offer such concessions, for political reasons. In its struggle against Peron, the anti-Peronist bloc complained that he gave far too great rights to the Standard Oil Company of California for the exploitation of oil in the Patagonia, and the military junta, therefore, could not have approved such concessions. The military junta first refused to ratify the concession, and then renounced it. The endeavour to achieve economic independence has deep roots in Argentina, and the military junta, with the aim of securing political support, also renounced other arrangements with American capital. A few days before the July elections for the Constitutional Assembly, it withdrew the concessions of two foreign companies for the production and distribution of electric power in Buenos Aires.

Owing to this situation, the United States stopped giving economic assistance and loans to Argentina. Thus the character of the internal political and economic policy and the lack of foreign financial capital led to the present economic stagnation and crisis, in which urgent Argentine problems — lack of electricity, transport and key industries, are waiting for solution.

* * *

The social and economic crisis led to a new distribution of political forces in the country. The one-time anti-Peronist front was completely dissolved. The political basis of the military junta was restricted, although at the beginning it could have reckoned with the support of almost all parties, apart from the Peronists and the Communists in the Consultative Council, which was to replace the dissolved Parliament during the state of emergency.

The military junta is now supported only by the moderate wing of the Conservative Party led by Dr Camara, most of the clergy, the right-wing Radicals, Balbin, the Socialists and the Christian Democrats, and by the armed forces, the aristocratic navy, part of the air force and a small section of the land forces. On the other hand the military junta is opposed by a wide front — which is not united but which is far stronger than the forces of the junta. These, owing to their political individuality, are first of all the Peronists, either under the leadership of Peron or neo-Peronist politicians, the Frondizi left Radicals, and the Communist Party. The junta is also opposed by the Catholics and the right-wing Nationalists, who were in the first post-Peronist government of General Lonardi (General Bengoa and others), as well as by the extreme right-wing Conservatives, led by Dr Solana Lima, and by several other smaller groups.

In view of this distribution of forces, the military junta did not call general election this year as it had promised.

Instead, it went on with the elections for the Consultative Assembly, to test the relation of forces and to gain time.

These elections, which took place on July 28 after serious internal conflict, showed that Peronism is still supported by most of the electors i. e., altogether 2,125,000 people cast blank ballot papers into the ballot boxes, as they were told to do by Peron from exile in Venezuela. The other strongest party was the right-wing Radical party who won 2,116,000 votes, while the Frondizi Radicals came third with 1,850,000 votes. Without going into other results of the elections (the strengthening of the Socialists and the Communists, the weakness of the Conservatives and the failure of the Christian Democrats and the right-wing Nationalists), these results show that the outcome of the future Presidential elections will be decided by the Peronists and Frondizi's followers. Their coalition, regardless of the form that it might assume, would be a logical alliance between the working masses and the national bourgeoisie who, under present circumstances, could get Argentina out of the crisis into which she has found herself on the first stretch of the road towards industrialization, economic emancipation and social progress.

It may be supposed that Frondizi would be willing to conclude an election alliance with the Peronists, for even if their alliance meant the loss of about half a million Radical votes, it would in turn get three times as many or more votes from the Peronists, so that it would be assured of the election victory. But there are several obstacles to such a solution of the Argentine crisis. Frondizi may satisfy the individual demands of the Peronists and return to them, for instance, the General Confederation of Labour and renew the legality of their party, but the question is whether the Peronists themselves would be satisfied with that. Would Peron be ready to give up his desire to return to power, which could be achieved only by bloodshed, and be satisfied only with the prospect of returning to the country? Would the other Peronist leaders be willing to turn over the political leadership to the Radical bourgeoisie? Would the common interest of the Peronists and Frondizi's followers to end the power of the junta erase the memories of their old conflicts, and would this interest become stronger than their rivalry in the struggle for influence on the masses?

These are by no means all the questions to which there are no definite answers. One of the chief of the remaining questions is: will the military junta, in view of the strength of its opponents, be willing to go on with the announced elections in February next year, and will it really hand over power to its opponents in case of their collective or individual victory?

Although the climax of the Argentine crisis is approaching, the curtain is still drawn. And there are still many outstanding and problematical questions to be solved.

NOVEMBER 29 - THE DAY OF THE REPUBLIC

Jovan MARINOVIĆ

Secretary for Information in the Federal Executive Council

ON NOVEMBER 29, 1943 to all four corners of the earth spread the historic decisions of the Second Session of AVNOJ¹ regarding the future organization of Yugoslavia. At a time when allied headquarters were issuing official announcements regarding military operations against the Hitlerite armies, the newspapers, news agencies and broadcasting stations of the democratic countries were informing their public of another major event — of the birth of a new state, Yugoslavia, in the war, in Hitler's „Fortress Europe". It was now no longer a matter of recognizing the national liberation struggle against the invader and the social forces which were waging it; it was now also a matter of recognizing the new Yugoslavia as a federal, democratic state of the working people, which was the result of the liberation war and people's revolution. It was now futile to speculate about who was fighting in Yugoslavia, whether the Communist Party of Yugoslavia was the organizer of the armed uprising or whether the organizer were the traitorous elements round Draža Mihailovich supported by the Yugoslav Government in exile in London. Although this would already have been clear if futile expectations of a different development of events in Yugoslavia had been done with, now, after the decisions of the Second Session of AVNOJ, the truth burst upon the world like a flash of lightning that those progressive and patriotic forces which had launched the liberation war under the leadership of the Communist Party were building a new state in which there would be no exploitation and national oppression.

In the long history of the Yugoslav peoples the decisions of the Second Session of AVNOJ occupy a first-rate position. The New Yugoslavia got its first National Assembly, and provisional Government in the form of the National Committee of the Liberation of Yugoslavia headed by Josip Broz-Tito, the present President of the Republic. Of course this brought about a thorough change in the further development of the national liberation struggle and in the entire development of the new Yugoslavia. First of all, these decisions also formally confirmed what the Yugoslav peoples had won in the armed uprising for their social emancipation and national liberation. Furthermore, the international esteem of the national liberation struggle in Yugoslavia increased enormously, and the international recognition of the new Yugoslavia followed de facto. Finally, the foundations of the system of people's government were laid, which devolved upon the working class and the working people generally.

One of the most significant decisions of the Second Session of AVNOJ was the organization of Yugoslavia upon the federal principle. This decision actually confirmed the will of the Yugoslav peoples, proclaimed in the people's revolutions, to dissolve the centralistic and hegemonic system in Yugoslavia; the age-old aspirations of the Yugoslavs for unification into a single state on the basis of national equality and unhampered development of each nation individually had been fulfilled. It was no longer a question of fictitious equal-

ity, empty, devoid of contents and guarantee of genuine democratic development. It was now a question of equality in practice, which development in socialist Yugoslavia has irrefutably confirmed, in the life of each people, in their comprehensive national, cultural and social rejuvenation. For the Yugoslav peoples had fought not only to evict the invader from their country and for national liberation, but also to found such a social system as would assure them a better and happier morrow for present and future generations. They had learnt lesson from bitter experience in the past. They had once been together in one state, the former Yugoslavia. They had fought for it and had believed from the beginning that they would live under a common roof in harmony and brotherhood. But the reactionaries in the former Yugoslavia were of another mind. Anyway, the reactionaries could not have been expected to develop equal and brotherly relations between the Yugoslav peoples. It fitted in more with their class interests to keep these peoples at daggers drawn, to foment hatred among them and to disfranchise them both nationally and politically. One even unwittingly draws a parallel between the old and the new not in order to bear out the vast advantages and achievements of the new, for the old was too infamous to breast comparison, but to present briefly the extent to which the Yugoslav peoples were vitally concerned for the attainment of the new, for the foundation of a just state and social order in Yugoslavia.

After the victory of the revolution, whose achievements were confirmed in the liberated country by the Constituent Assembly of Yugoslavia towards the end of 1945, when the Republic was promulgated, there commenced a period of development of a new socialist society. And if a brief glance is cast in retrospect today, on the occasion of the anniversary of the Yugoslav Republic, upon postwar socialist development in Yugoslavia, it will rightly be noted that extraordinary results have been achieved. First of all, socio-economic relations have changed in Yugoslavia down to their very foundations. Considering that exploitation of man by man can be done away with only if the basic means of production become social property, the socialist state nationalized the basic means — the factories, mines and other enterprises. During the first period of socialist development in Yugoslavia, they were the property of the state. This was necessary under the specific conditions of development in Yugoslavia. As the President of the Republic Josip Broz-Tito said on one occasion, the state was in the process of formation, economic problems had to be solved in one centre, and it was especially necessary to create the material conditions for the decentralization of the administration and economy and in order to transfer the factories and other enterprises to the management of the workers, the direct producers. Today that initial period of socialist development in Yugoslavia is a thing of the past. The factories and other enterprises have been transferred to the management of the direct producers and such democratic forms of management have been set up as make for the broadest participation of the working masses in managing production and in developing socialist social relations. This system of mana-

¹ The Anti-fascist Council of the National Liberation of Yugoslavia.

gement is accomplished through the workers' councils and councils of the producers. These are new socialist forms of organization and management, which open the surest and easiest way to socialism under the conditions in which Yugoslavia is developing as a socialist country. They have already produced enormous results both in Yugoslavia's economic development and in strengthening socialist democracy. But these democratic forms of management are not exclusive elements of the economy. They involve the whole social life in Yugoslavia: education and culture, social welfare and national health. All these forms of social management reflect the common interests of the working people and social community as a whole. The working people of Yugoslavia consider this social community as their own, socialist community; they are concerned for its development and prosperity, for their own interests coincide with the interests of the community.

„The revolution, which penetrated so deeply into the awareness of the masses, had to produce a number of new socialist forms of organization, methods of work and methods of democratic management which are important not only for us, for the peoples of Yugoslavia and for our future development, but also for progressive mankind in general“ (E. Kardelj).

It will be no exaggeration to say that the experiences which have been gained in developing socialism in Yugoslavia, democratic forms of self-government by the working people, the workers' councils, the councils of the producers, the communes and other social bodies constitute a huge contribution to the further development of socialist thought. It ought not to be otherwise, for the revolutionary experiences of one socialist country should enrich and develop scientific socialist thought and strengthen socialist forces in other countries.

What is more, these socialist forces are growing before our eyes.

DOCUMENTS

Statement on Talks Between Delegations of the Socialist Alliance of the Working People of Yugoslavia and the Socialist Party of Arab Regeneration

A statement on the talks between the delegations of the Socialist Alliance of Working People of Yugoslavia and the Socialist Party of Arab Regeneration (BASS) was issued in Belgrade on November 24th. The statement reads:

„In returning the visit of the delegation of the Socialist Alliance of Working People of Yugoslavia made two years ago, the delegation of the Socialist Party of Arab Regeneration stayed in Yugoslavia from November 10 to 23, 1957.

„The delegation of the Socialist Party of Arab Regeneration toured a number of enterprises, agricultural organizations, social and health institutions, government bodies and political organizations in the People's Republics of Serbia, Bosnia and Herzegovina, Croatia and Slovenia, and became acquainted with their operation and problems.

„The delegation also met representatives of the organizations of the Socialist Alliance of Working People of Yugoslavia, the Yugoslav Federation of Trade Unions, the People's Youth Organization of Yugoslavia, and the Chief Cooperative Association of Yugoslavia.

„Taking part in the talks between the representatives of the Socialist Party of Arab Regeneration and the Socialist Alliance of Working People of Yugoslavia were:

Michel Aflak, Dzamal Atase, Abdel Karim Zuhur and Zubran Madzalani for the Socialist Party of Arab Regeneration;

„Petar Stambolić, Avdo Humo, Aleš Bebler and Puniša Petrović for the Socialist Alliance of Working People of Yugoslavia.

The delegations exchanged opinions on the international position, and information on the internal and foreign-political problems of their countries.

„Both delegations consider that great responsibility rests on the socialist and progressive forces in the world for the preservation and consolidation of peace, and that for this reason efforts are needed today more than ever for their close and fruitful cooperation.

„Peace can be strengthened only by persistent endeavours to implement the principles of equality in relations between states, regardless of differences in political and social organisation, the principles of non-interference in the internal affairs of other countries, the peaceful solution of disputes, and respect for the sovereignty and independence of nations. Peaceful coexistence and co-operation are the only alternatives to war, and the only road for the progress of mankind. The policy of peace also implies recognition of the right of all peoples to self-determination, as the cause of peace cannot be divorced from the question of national independence.

„The delegations are convinced that the armaments race and the policy of military blocs can only result in the further aggravation of the international situation. Hence it is indispensable to continue efforts to reach at least initial and partial agreement, which would open the way for the solution of the disarmament question as a whole.

„The two delegations agree that one of the most important tasks of the socialist and progressive forces is the strengthening of the authority of the United Nations Organisation, which can and must play a significant role in the preservation and consolidation of peace, as well as in the solution of those major world problems, such as the problem of the advancement of under-developed countries which call for the joint efforts of the whole international community.

„The delegations of the Socialist Alliance of the Working People of Yugoslavia and the Socialist Party of Arab Regeneration examined the situation in the Arab countries and in the Near East and expressed the view that the Arab peoples should be enabled to realize their complete political and economic independence. They condemn the policy of pressure and interference which is being pursued at present towards certain Arab countries, and particularly towards Syria. They consider that colonialism and all oppression are manifestations unworthy of man, and that the upholding of outworn colonial methods in the Near East and Middle East regions threatens the economic and social progress of the people inhabiting these regions, as well as peace throughout the world.

„The representatives of the Socialist Alliance of the Working People of Yugoslavia and the Socialist Party of the Arab Regeneration estimate their past cooperation as useful. Both delegations agreed that efforts should be strengthened in the future for the development of mutual relations, by way of exchanging experiences and views on important questions, occasional meetings of the representatives of the two movements, and the exchange of delegations of mass organizations, etc.

„Both delegations are convinced that such cooperation will strengthen even more the friendly relations between the Socialist Alliance and Socialist Party of Arab Regeneration, as well as between the peoples of Yugoslavia and the Arab peoples. They are also convinced that this cooperation will be a contribution to the general strengthening of the forces of peace and socialism“.

ENCOUNTERS AND TALKS

YUGOSLAV ENVOYS IN PRAGUE. — Petar Stambolić, President of the Federal National Assembly and member of the Executive Committee of the Central Committee of the League of Communists of Yugoslavia, Franc Leskošek, member of the Federal Executive Council and of the Executive Committee of the Central Committee of the League of Communists of Yugoslavia, and Marko Nikezić, Yugoslav Ambassador in Czechoslovakia, attended the funeral of the Antonin Zapotecky, on behalf of President of the Republic, Federal Executive Council and the Central Committee of the League of Communists of Yugoslavia.

VISIT OF JAPANESE ECONOMISTS. — A delegation from the Japanese Export-Import Bank, headed by R. Ichisaku, the director, stayed in Yugoslavia from November 13 to 23. The group included the well known Japanese economist Hidesaburo Kurushima. On November 19 the delegation called on Svetozar Vukmanović, Vice-president of the Federal Executive Council, and had talks with Yugoslav economists on the possibility of increasing the trade exchange between Japan and Yugoslavia.

OSCAR LANGE IN YUGOSLAVIA. — Professor Dr. Oskar Lange, Vice-president of the State Council and President of the Economic Council of the Polish government, arrived in Belgrade on November 15. As guest of the Institute for International Affairs and Economy, he delivered a lecture on November 18 on „The Development of the Economic Theory of Socialism“ and one on November 19 on „Planning in Socialism“. During his visit in Belgrade, Dr. Lange had talks with Yugoslav economists.

SOCIALIST ALLIANCE

LECTURE OF MICHEL AFLAK. — Michel Aflak, Secretary General of the Socialist Party of Arab Regeneration, lectured on November 21 in the Institute for the Study of the Workers Movement on the theme, „The Socialist Party of Arab Regeneration and the Problems of the Near and Middle East“. Aflak headed a delegation of his party, which stayed in Yugoslavia from November 10 to 23 as guests of the Socialist Alliance of Working People.

FEDERATION OF TRADE UNIONS

HUNGARIAN DELEGATES IN BELGRADE. — A delegation of Hungarian Trade Unions consisting of Sandor Gaspar, Secretary General of the Central Council, Martin Ferenc, deputy Secretary General, Vas Miklós Vitéz, Vice-president, Erné Zentay, Secretary Kohari, trade union chief executive, and Pal Topalović, counsellor at law, had talks with representatives of the Yugoslav Federation of Trade Unions on the role of the trade unions in socialism.

DJURO SALAJ IN CHINA. — Djuro Salaj, President of the Central Committee of the Yugoslav Federation of Trade Union has arrived in China at the invitation of the All China Trade Union Federation, to attend the international eighth congress of the Federation. Before the opening of the congress, Salaj will tour several important industrial centres in China.

REPRESENTATIVES AT INTERNATIONAL MEETING OF MINERS. — Two representatives of the Yugoslav miners' trade union attended a meeting of the Executive Committee of the International Miners Federation, which was held in Geneva from November 19 to 21.

VICE-PRESIDENT OF YUGOSLAV TRADE UNIONS IN ROME. — Dragi Stamenković, Vice-president of the Central Trade Union Council of Yugoslavia, on November 7 attended the funeral of the late Giuseppe Di Vittorio, leader of the Italian General Confederation of Labour.

CONTACT LIEGE-BELGRADE. — A group of representatives of the regional leadership of the Belgian Federation of Labour (FGTB)

from Liege, on November 20 to 24 visited the District Trade Union Council of Belgrade. This visit has a continuation of the regular contacts between the trade union delegations of both cities which have been taking place for the last few years.

POLISH TRADE UNION OF FOREST WORKERS AND LUMBERMEN sent a five-man delegation to Yugoslavia, as guest of the Yugoslav Lumbermen's Trade Union, from October 26 to November 9.

VISIT OF SOVIET DELEGATION. — A Soviet delegation of trade unions of the forest, paper and wood-processing industries are staying in Yugoslavia from November 15 to December 5. While touring a number of similar enterprises in some of the republics, they will become acquainted with the problems of the Yugoslav trade union activity, as well as with the system of workers management in Yugoslavia.

OBSERVER AT CONGRESS OF HUNGARIAN METAL WORKERS. — A representative of the Yugoslav Metal Workers' Trade Union attended a congress of the Hungarian Metal Workers' Trade Union, which held on November 29.

CULTURAL AND SCIENTIFIC INSTITUTIONS

CHINESE FILM WEEK. — „Chinese Film Week“ was opened in Yugoslavia on November 16, and will be held in the major Yugoslav cities until December 9. A Chinese film delegation, led by Gau Guo, Deputy Director of the Film Board in Peking, who are attending „Chinese Film Week“, are guests of the Yugoslav Commission for Foreign Cultural Relations.

PREPARATIONS FOR WORLD EXHIBITION. — Oto Bihalji-Merin, the Yugoslav writer, was present at the session of the International Jury for the selection of works for the exhibition „Modern Art“ and „Man and Art“ in the international art pavilion at the forthcoming World Exhibition in Brussels, held on November 18. Professor Božidar Tezak, associate of the Zagreb Institute for Atomic Energy, „Rudjer Bošković“, took part in the selection of the works for the exhibition of technical achievements in the International Pavilion of Science in Brussels.

POLISH UNIVERSITY DELEGATION. — A delegation of Polish university workers, headed by Eugénie Krasowski, Assistant Minister for Higher Education, arrived in Belgrade on November 18. The delegation included four rectors of Polish universities and high schools.

PROFESSOR BRODELLE IN BELGRADE. — Fernand Brodelle, French historian professor of the Collège de France and editor of „Annals for Social and Economic History“ arrived in Belgrade on November 15. At the request of the Serbian Academy of Science and of the chair of historical sciences of the Philosophical Faculty, Brodelle delivered lecture and held scientific discussions in Belgrade.

DEPARTURE TO CHINA. — The 1957 plan for cultural cooperation with PR China provides for a delegation of Yugoslav university professors to visit Peking early in December. It is learned that the delegation will be headed by Dr. Edhem Chamo, rector of Sarajevo University.

YOUTH ORGANIZATIONS

STUDY EXCHANGE. — Groups of Yugoslav students have gone to Czechoslovakia on November 24 within the exchange study group programme, and early in December they are due to visit Rumania. Representatives of the Rumanian students will come to Belgrade early in December, and a group of Czechoslovak students later in the month.

RUMANIAN GUESTS. — Representatives of the village youth of Rumania were on a visit in Yugoslavia in mid-November as guests of the People's Youth Organization of Croatia, when they toured several cooperatives and model farms, and had meetings with active young cooperative members.

OTHER CONTACTS

REPRESENTATIVES OF YUGOSLAV CITIES IN POLAND. — A delegation of the Permanent Conference of Yugoslav Cities, consisting of the Presidents of the People's Committee of Belgrade, Zagreb and Ljubljana, as well as the Secretary of the Permanent Conference of Cities, arrived in Warsaw on November 18 on a week's stay in Poland.

PARTICIPATION IN AUSTRIAN CONGRESS. — Two representatives of the Permanent Conference of Cities of Yugoslavia, on November 30 and December 1, attended a session of the Austrian Assembly of Cities, which was held in Salzburg.

VISIT TO FORMER HUNGARIAN PARTISANS. — A delegation of the Central Committee of the Yugoslav Veterans' Association left for Budapest on November 21, following an invitation from the Organization of Hungarian Ex-Partisans.

GUEST FROM INDIA. — Krishna Tripalani, Secretary of the Indian Academy of Literature, came to Belgrade in the latter part of November, as guest of the Writers Association of Yugoslavia.

NEGOTIATIONS AND AGREEMENTS

CONFERENCE IN SALONIKA. — An international conference was opened in Salonika (Greece) on November 15, to consider the possibility of constructing of a 1,300 km. motor highway from Belgrade via Salonika to Istanbul. Representatives of Greece, Turkey, Yugoslavia and Italy took part in the conference.

CULTURAL COOPERATION WITH BULGARIA. — A Protocol on the exchange of ratification instruments of the agreement on cultural cooperation between Yugoslavia and Bulgaria, signed in December 1956 in Beograd, was signed in the Bulgarian Foreign Ministry in Sofia on November 15. The agreement was ratified in March, 1957.

YUGOSLAV-HUNGARIAN CONVENTION. — A Yugoslav-Hungarian Convention on the prevention and suppression of contagious diseases was signed in Belgrade on November 20.

GOODS EXCHANGE WITH HUNGARY. — Yugoslav-Hungarian trade talks were opened in Budapest on November 23. The delegations are negotiating on longterm trade cooperation, and intend to fix the volume of the 1958 goods exchange between Yugoslavia and Hungary.

COMMISSION FOR FRONTIER INCIDENTS. — The chief mixed Yugoslav-Albanian commission for examining and settling frontier incidents held its regular meeting in Yugoslavia on November 20.

CHRONOLOGY OF POLITICAL EVENTS

November 15 — The Federal Executive Council, with Svetozar Vukmanović presiding, adopted the Plan of economic development from 1957 to 1961, as well as the Bill on relations in labour.

November 18 — A congress of agricultural engineers and technicians of Yugoslavia was opened in Belgrade in the presence of 1,500 delegates. Several papers on the most important problems of the further development of agriculture were read at the congress.

November 18 — The sixth plenary meeting of the Central Committee of the League of Communists of Slovenia was held in Ljubljana. It was decided that greater participation of the League of Communists was necessary in the work of the trade unions.

DIPLOMATIC DIARY

November 16 — The Yugoslav and Japanese governments have decided to raise their legations in Tokyo and Belgrade to the rank of embassies.

November 22 — Ivo Mirosevic, hitherto counsellor in the Secretariat for Foreign Affairs, has been appointed first Yugoslav Consul-General in Pittsburg.

November 22 — Boris Trampuz has been appointed Consul-General at Celovec.

November 24 — Slavoljub Petrović, hitherto Yugoslav Ambassador in Argentina, has arrived in Belgrade to take up his new post in the Secretariat for Foreign Affairs.

OUR NEW CONTRIBUTORS

JASA ALMULI: editor of „Borba“. Engaged in journalism since the war. In 1946 he was special correspondent of the Yugoslav news-agency, TANJUG, at the Peace Conference in Paris, and in 1948 at the Danube Conference in Belgrade. From 1952 to 1956 he was correspondent of TANJUG and „Borba“ in Rio de Janeiro.

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GET TO KNOW YUGOSLAV INDUSTRY AND FOREIGN TRADE

Invest-Import

EXPORT-IMPORT COMPANY
FOR INDUSTRIAL EQUIPMENT

By Milovan POPADIĆ
Director-General of Invest-Import

In the post-war period the Yugoslav economy passed through two phases: the first was characterized by huge efforts for the revival and reconstruction of the general economic potential, which suffered terrible devastation during the war, while the second phase saw the shift to a planned system of industrial construction. This was the era of industrialization, which changed the aspect of the country and its economic structure. The building of basic industry, which took the central place in the plan of economic development, created conditions for the participation of Yugoslavia in international exchanges on an equal footing with other countries. It led to Yugoslavia's economic emancipation, that is, it developed her internal productive forces to a degree which changed the position and role of the country in international economic relations. Before the war economic backwardness and her unfavourable economic structure made Yugoslavia dependent on

the developed countries. On the international market she appeared only as an exporter of agricultural products and industrial raw materials, which placed her in a subordinate position, rendering her economic relations limited and unilateral. The dynamic industrial development since the war not only broadened the base for international exchanges but also enabled Yugoslavia to take a conspicuous and equal place in the community of world economic cooperation, so that she is no longer a raw material appendage of industrial countries, but has her own industry, which operates on the principles of modern technology, an industry capable of appearing on the foreign market of supply and demand and developing its business relations on an equal footing with the developed countries.

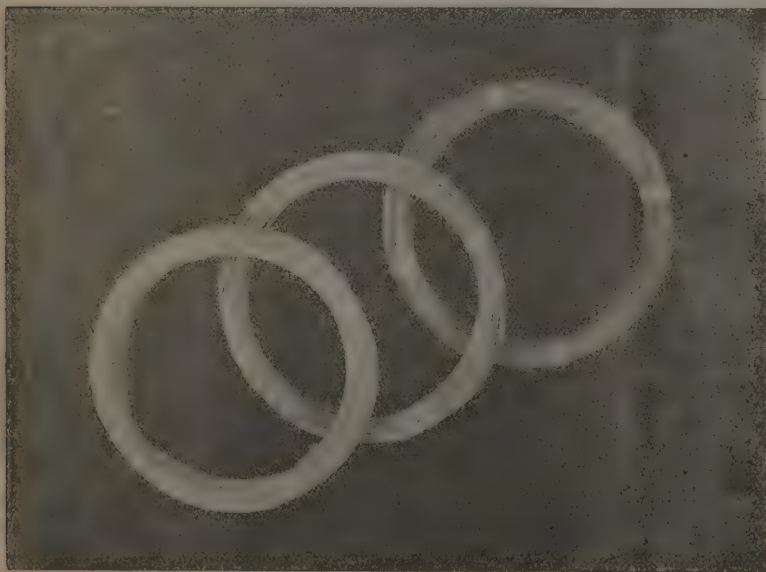
If industrial and technical achievements led to these radical changes in the structure of exports, Yugoslav foreign policy contributed to her affirmation in interna-

tional economic relations as a factor of positive development. Condemning every form of autarchy and the creation of artificial barriers in the sphere of international exchanges, Yugoslavia looks upon world economy as an integrated relationship yielding mutual benefits, making countries turn to each other for exchanges as their real interests have a common denominator in the inevitable establishment of economic links. Thanks to this policy and economic development, Yugoslavia has taken a definite place in contemporary economic relations as a sought-after and serious partner.

The development of commercial relations and economic-technical cooperation with the outside world, gives the foreign trade enterprises an important role. These organizations have a double function in the economic life of the country: they supply Yugoslav economy with the necessary equipment from abroad, and arrange for the export of local industrial products. They are also engaged in other important tasks in the field of capital investment activities, technical cooperation, assistance etc. Their general significance is based on this multiple activity — a significance which is all the greater as most of the Yugoslav factories today appear throughout the world through the agency of export enterprises.

One of the largest organizations of this type is the Belgrade INVEST-IMPORT enterprise. This is a specialized firm for the export and import of industrial and capital investment equipment, from single machines to complete plants and factories. It has connections throughout the world, while its organization and business methods have earned it an enviable reputation which, in business terms, may be expressed by solidity and confidence.

In view of the volume and variety of the business transacted and in considera-



Dinamo wirt (Product of the cable factory
— Svetozarevo)

tion of its role in the development of the Yugoslav industry, INVEST-IMPORT may rightly be mentioned in the same breath with those organizations which have exceptional significance in the Yugoslav economy and foreign trade. Ever since its foundation, this firm has been adapting its activity to the current needs of the country and its development. In this respect we can distinguish two stages. The first coincides with the period of construction and industrialization of the country, in which INVEST-IMPORT devoted its efforts exclusively to the import of equipment for the reconstruction of the Yugoslav economy. The significance of its function at this stage is best shown by the fact that INVEST-IMPORT alone tackled about 95 per cent of the overall Yugoslav investments imported for the purpose of reconstruction and development. The value of investments imported so far through this organization was about 300 million dollars. Nor does INVEST-IMPORT neglect its import activities today when it has changed its physiognomy: the value of contracts now being dealt with in the field of imports exceeds the sum of 100 million dollars. Most of these contracts are in respect of the Aluminium Combine in Titograd, the Factory of Azote Fertilizers at Pančevo, the Super-Phosphate Works at Trepča, the Viscose Factory at Loznica, the „Šoštanj” and „Kolubara” thermo-electric plants, as well as a number of other important projects.

The efforts made by INVEST-IMPORT in this lively phase of economic development, and the results which it achieved, are of such importance that they cannot be ignored. Yugoslavia has seen the erection on her soil of many factories which have been in operation for years, also taking an important part in Yugoslav export. A large number of these plants were imported through INVEST-IMPORT, whether involving complete factories or the bulk of equipment for them. We must mention first the Iron and Steel Works in Zenica, the next in importance being the Seamless Pipe Rolling Mill at Sisak, the Iron Works at Nikšić, the Copper and Copper-alloys Rolling Mill at Sevojno, the Light Metals Factory at Ražine, the Cable Factory in Svetozarevo, the Azote Compounds Factory at Goražde, the Sulphate Cellulose and Natron Paper factory at Maglaj, the Soda Factory at Lukavac, the Cellulose Factory at Prijedor, as well as a series of textile factories, glass factories, a large number of hydropower plants (Jablanica, Vlasina, Kokinbrod, Drina etc) and many other industrial objects. All the new cement plants, for example, have been imported through INVEST-IMPORT, while more than fifteen cement factories were reconstructed thanks to its efforts, and their capacity was considerably increased.

This period of construction was the best school for making headway in engineering

and gaining experience. Yugoslav experts were given wide opportunities for acquainting themselves with modern methods of organization and production in various economic branches in European countries and the USA. Thus Yugoslavia imported machines and plants which are the last word in machine-construction, and its experts gained technical knowledge and were initiated in the latest scientific achievements. The imported and reconstructed plants follow such processes of production and methods of organization as are fully in keeping with today's standards in the highly developed countries. And INVEST-IMPORT had an important share in the materialization of this huge task: in addition to participating directly in the import of capital investment equipment, it opened special offices in a number of countries, i. g., in the USA, France, Belgium, Italy, and Germany, in connection with technical training arrangements. It raised and widened its apparatus, until it became a specialized expert organization for construction, reconstruction and equipment.

The second stage in INVEST-IMPORT's activity and development naturally resulted from the first. Many factories for which this enterprise imported the necessary machines, or supplied with key equipment, set their plants in operation and automatically gave INVEST-IMPORT the exclusive right to export their products. Thus the young Yugoslav industry was helped to appear on the world market, while INVEST-IMPORT gradually reoriented its activities, transforming itself into an export organization. It undertook to acquaint foreign markets with the achievements of Yugoslav industry and its export potentialities. The results were not long in coming. Today INVEST-IMPORT is well-known throughout the world, while the Yugoslav machine and equipment industry, although young and confronted with strong international competition, enjoys a good reputation, and its products are favourably placed in a series of countries. The value of export business concluded so far by INVEST-IMPORT has now reached a sum of over 30 million dollars.



CABLE FOR TRANSMISSION OF ENERGY
(Product of the Cable Factory — Svetozarevo)

The export list of INVEST-IMPORT is very extensive and varied. It covers nearly all industrial branches, in the first place products of the cable industry. INVEST-IMPORT is the sole exporter of cables. The Svetozarevo Cable Factory granted it this privilege, as the firm had a decisive share in its construction. Although it was founded not so long ago, this factory has gained a foothold on the foreign markets and developed into a well-known export organization. Through INVEST-IMPORT, the Svetozarevo Cable Factory exports good to a value of about 15 million dollars per year. It is reckoned that its exports in 1958 will surpass the value of 20 million dollars. As regards manufacture and quality, these cables are on a high level, while the method of quality testing which is employed in the factory is the most up-to-date in this branch. Cables of all types are in great demand, and it is to be noted that the factory in Svetozarevo has not yet been requested for replacements of any of the goods supplied.

Railroad cars take the second place in INVEST-IMPORT exports. INVEST-IMPORT is the sole exporter of passenger and freight cars. Several thousand wagons of various types built in Yugoslavia are at present on rails in various countries of the world. Four factories of the rolling stock industry — the „Djuro Djaković“ industry of locomotives, machines and bridges in Slavonski Brod. The Wagon Factory at Kraljevo, the Heavy Building Machines and Metal Structures Factory „14 October“ at Kruševac, the „Goša“ Steel Constructional Factory at Smederevska Palanka — have been making for decades all types of railcars for export (over 4,000 wagons annually for export). But the INVEST-IMPORT activities are not confined to export of cars, but embrace all rail road material: switches, turnstables and other rail equipment. At the moment, INVEST-

IMPORT is exporting material of this kind to India and other countries, to a value of over six million dollars.

INVEST-IMPORT is the sole exporter of the manufacturers of railway vehicles, incorporated in the Community of Railway Vehicles, with its headquarters in Belgrade.

INVEST-IMPORT possesses the sole right of exporting heavy machines and complete steel plants, — a task entrusted to it by the „Ivo Lola Ribar“ machine tool factory, Železnik. It has a special office for the export of machine tools of this industry. Exports in this field today run to about six million dollars, and they are directed chiefly to the firm currency countries (Switzerland, India etc.).

INVEST-IMPORT specializes in the export of steelwork for the requirements of road and railway transport, such as bridges, workshops, pillars for long-distance mains, metal siloses, industrial cranes. INVEST-IMPORT also arranges for the export of entire equipment for ports. The value of business transacted in this line alone amounts at present to about two million dollars.

The INVEST-IMPORT organization has a special section for the export of floating craft — ships and ship accessories, tankers, tugs, motor boats and other vessels. In this branch the enterprise has concluded businesses amounting in value to about 1.5 million dollars, likewise with firm currencies — free British sterling and dollar.

Excellent results have been shown by INVEST-IMPORT also in electro-industrial exports (including complete electric equipment and plants) in the export of machines, metal-processing industry products and the manufactures of similar branches. Customers in a number of countries are specially interested in the products of the „Iskra“ factory of elec-

tric equipment at Kranj, the Bridge and Switch Works „Crveni Krst“ — Niš and other factories. At all the world markets INVEST-IMPORT today sells products of many renowned Yugoslav factories which, in addition to the abovementioned, include the Tractor and Machine Industry of Belgrade, the Iron and Castings Foundry of Kikinda, „Torpedo“ Motor Factory of Rijeka, the „Fagran“ Constructional Engineering Machinery Plant of Smederevo, the Smelting and Machine Works „Olt“ of Osijek, „Potisje“, Factory of Machine Tools of Ada, the TMZ Motor Factory of Zagreb, the „Stup“ Machine Factory of Ilidža, the „Fam“ Machine Factory of Novi Sad, the „Stupnik“ Flour Mill Machinery Factory near Zagreb, the „Jelsingrad“ machine factory and Steel Foundry of Banjaluka, the „Sever“ Electric Machine Factory of Banjaluka, the Electrode Factory of Zagreb, the Compressor and Pneumatic Tool Factory of Doboj, the „Insa“ Watch Industry of Zemun, the „Ilijaš“ factory of Sarajevo, „Istra“ of Kula, „Impros“ of Sarajevo. Besides these enterprises which INVEST-IMPORT represents abroad, it also exports for a number of other factories, e. g., for the „Obod“ refrigerator factory of Cetinje, but without possessing the sole exporting right.

Today INVEST-IMPORT has an organization which specializes in all types of import-export business, as well as a wide network of representations in the country and abroad (Brazil, Chile, Paraguay, Uruguay, India, Egypt, Lebanon, Burma, Indonesia, Pakistan, Ceylon, Iran, Iraq, Morocco, Greece etc.).

The INVEST-IMPORT activity is reflected also in its participation at many world fairs and exhibitions, at which it records very good results. Its participation was particularly noted at the fairs in Sao Paulo, Bombay, New Delhi, Jakarta, Izmir, Damascus, Salonika, Casablanca and other cities, where it carried out much successful business.

In addition to export activities, INVEST-IMPORT is capable of undertaking and carrying out all such tasks from projecting and soil examination to building, supplying of equipment, assembly, and extending technical aid. As an illustration we mention the fact that it participates at present in extending technical aid to Jordan, viz. in supplying three phosphate mines with entire equipment. INVEST-IMPORT also takes part in training expert cadres: it receives and trains foreign workers in the Yugoslav industrial enterprises.

In view of its experience, the high expert level of its organization of labour, and excellent results which it has scored, the young Yugoslav industry has in INVEST-IMPORT a capable associate and agent, while foreign customers find in it a solid and serious partner.

VERTICAL LATHE KS-3000/II
(Product of the Ivo Lola Ribar Plant — Železnik)



INVEST — IMPORT

ENTERPRISE FOR EXPORT AND IMPORT OF EQUIPMENT

BEOGRAD Terazije 5 — P.O.B. 680 — Phones: 32-971/42, 33,438

Telex: 01-150 — Telegrams: INVESTIMPORT — Beograd

EXPORTS:

ELECTRIC CABLES AND CONDUCTORS: paper, rubber or PVC insulated cables and conductors for transmission of energy up to 35 kW; telecommunication cables and conductors; ship cables; dynamo and varnished wire, copper, aluminium and aluminium-steel ropes etc.

ELECTRIC EQUIPMENT AND INSTALLATIONS: open and closed electric motors, transformers, Roentgen apparatus; Diesel and Hydro aggregates; telephone centrals and „Crossbar“ and „Step-by-Step“ apparatus; refrigerators, washing machines and other apparatus for households.

RAILROAD CARS: passenger, mail, restaurant and sleeping cars; freight cars (open and closed); cistern cars etc.

FLOATING CRAFT: ships and ship equipment; tankers, tugs, patrol boats.

MACHINE TOOLS AND MACHINES FOR SHAPING METAL: lathes (various sizes), radial drills, shaping machines, presses, pneumatic brushes, various metal cutters, hydraulic and mechanic saws, pillar and table drills, cutting machines, angle and circular bending machines, machines for bending tinplate, machines for bending steel concrete, parts for „Churchman“ lathes.

OTHER MACHINES: for trimming wood, all types, building machines, road construction machines, textile, flour mill and mining machines etc.

DIESEL MOTORS: for driving various industrial machines and pumps from 3 to 120 HP, Diesel ship motors from 20 to 1200 HP.

PUMPS: centrifugal driven by electricity or by Diesel motor, capacity 1000—4000 lit/min. and 30—40000 lit/min.; vertical propeller pumps.

COMPLETE PLANTS FOR THE FOLLOWING INDUSTRIES: small motors, glass, leather

footwear, starch, mining, steel siloses, cement, tinned products, sugar etc., rolling mill plants, installations for sintering ore and separation etc.

BRIDGES: iron structures of all kinds; port installations.

PIPES: fittings, sanitary equipment etc.

IMPORTS:

Industrial and power plants for all branches, floating craft, rail road vehicles, rails and accessories, electromotors and generators, electro-material, Diesel and gasoline motors of all types, building, agricultural and reclamation machines and tools, copper and aluminium conductors of all kinds, machines for shaping metal and wood, tools and mining machines and equipment, tractors, pumps, seamed and seamless pipes, fittings, lead and aluminium pipes, water supply and drainage pipes, sanitary metal goods, products of the metal-processing industry for wide consumption etc.

Representations at Home:

ZAGREB: Gajeva 7 — Tel.: 32-339
SARAJEVO: Jugoslovenske Narodne Armije 44 — Tel.: 30-12
LJUBLJANA: Trg Mladinskih delovnih brigad 5

Representations Abroad:

EGYPT: Invest-Import, 56, Sharia Abdel Khalik Sarwat, P.O.B. 438, Cairo
LEBANON: Invest-Import, P.O.B. 2885, Beyrouth
BURMA: Invest-Import, P.O.B. 1540, Rangoon
INDIA: Invest-Import, Sundarsons Mansion, 4/23-B, Asaf Ali Road, New Delhi
INDONESIA: Invest-Import P.O.B. 2479, Djakarta

Agencies - Consignment Stocks Abroad:

AFGHANISTAN: Italaf (Liaison Office), P.O.B. 38, Kabul
BRAZIL: Ermos S.A., Rua Uruguay 351/339, Porto Alegre
Sagres, Rua da quintana No. 30 gupo 808, Rio de Janeiro
Tekmolim Moinhos Importacao & Construcac
C. Post 9256, Sao Paulo
BURMA: Mya Sein Co., 218, Phayre St., Rangoon
CEYLON: A.R.E. Oomerice, P.O.B. 1322, Rangoon
S. Paternott and Sons, P.O.B. 733, Colombo
The Industrial & Scientific Equipment Co., P.O.B. 667, Colombo
CHILE: Tomić Hnos Ltda., Casilla 9080, Santiago de Chile
EGYPT: Electrical Engineering Office, 21, Soliman Pacha St., Cairo
K. Kirkinis, P.O.B. 1852, Cairo
GREECE: Pan. E. Panayotou, Bâtiment de la Chambre de Commerce, Place Roosevelt, Le Pirée

INDIA:
INDONESIA:
IRAN:

IRAQ:

JORDAN:

LEBANON:
MALAYA:

MOROCCO:
PAKISTAN:

PARAGUAY:

PORTUGAL:

SYRIA:

SUDAN:

THAILAND:

TUNISIA:

URUGUAY:

Koroxendis A., Rue Tossitsa 12, Thessaloniki
A. C. Stavrides & Fils, 25 BD Patissia, Athènes
Easun Engineering Co. Ltd., P.O.B. 95
n.v. Sinar Tiga, P.O.B. 2479, Jakarta
„Comencor“ Commercial & Engineering Corp. Ltd., P.O.B. 430, Teheran
The Iran—Iraq Corp., P.O.B. 815, Teheran
Abdul Hadi Al-Abaidil, 109, Domirchi Building Samawal St., Bagdad
JEA, Jordan Engineering & Agricultural Co., Amman
Ibrahim Tabsch & Sons Ltd., P.O.B. 2872, Beirut
East Mount Agency, 17-B, Robinson Road, Singapore
Setbon René, 9, Rue de Thoiry, Casablanca
Jaffer Bros Ltd., Jaffer Chambers, Victoria Road, Karachi — 3
N. Futenhally & Co., Wood St., Karachi — 2
R.J. Melamed S.R.L. Representaciones-Importaciones-Exportaciones, Casilla Corred 676, Asuncion
Vasco Pessoa Ltd., 28-1, Largo di Carpo Santo, Lisboa
Ghraoui Bechir, P.O.B. 2476, Damascus
Nadim & Mamon Tabbah, P.O.B. 666, Damascus
Ch. Matis & Company, Sales Representative & General Merchants, P.O.B. 59, Khartoum
The Alexandria Cotton & Trading Company Ltd., P.O.B. 609, Khartoum
J.L. Sharma & Partnership, Importers & exporters P.O.B. 159, Bangkok
Sam Setbon, 6, Place du 7 Mai, Tunis
INCO S.A. Industrial y Comercial S.A., 920, Sucesores de Augustion Contonnet, Montevideo
Jorge Prusina, Cerrito 523, Montevideo
Productiva-Representaciones Ltd., P.O.B. 141, Montevideo

belgrade

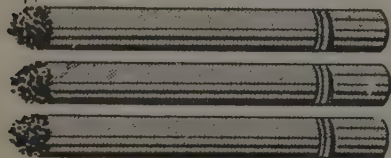
vlaikovičeva 10

Centroprom

exports and imports



export-import



alimentation, industrial and
colonial products,
livestock food, starch, glycose,
tobacco and tobacco
products, hemp and tow, oil plants
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tobacco exporting depot: smederevo phone 77

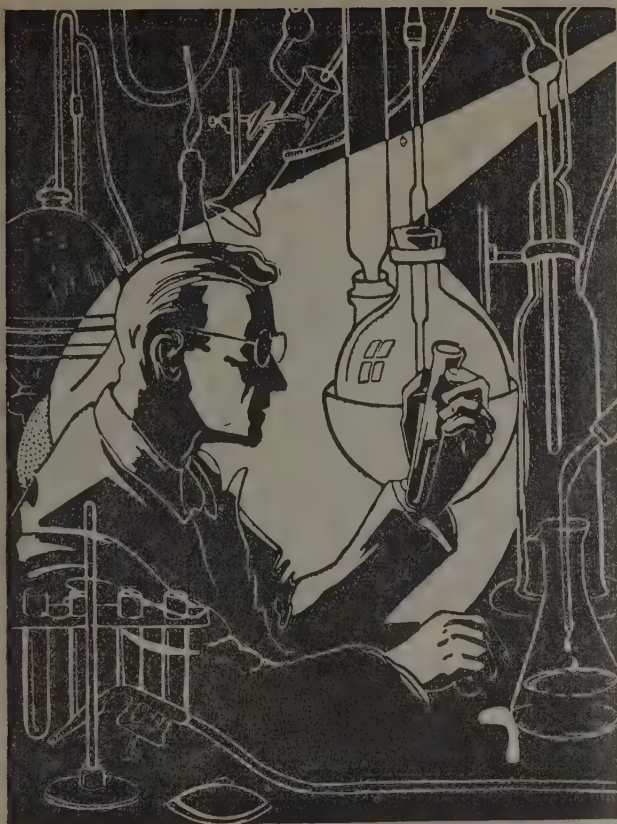
hemp collecting depot sivrac, phone 2

phones 21.111/115 — telex 01137 cables: centroprom belgrade — pob 454 agencies: paris, 29, rue
cambon phone opera 89-31 — rijeka, supilova 11, phone 28-97 — sombor, apatinski put 1, phone 211.



»ZORKA« CHEMICAL FACTORY — ŠABAC Yugoslavia

by Rajko MANOJLOVIĆ,
Director General of „Zorka“



The development of the chemical industry, in terms of volume and rhythm is of recent date. Its initial stages, however, date back some time ago, so that the establishment and development of the first chemical factories on Yugoslav territory took place by the middle of the nineteenth century when the Kruševac and Novi Sad soap factories were founded. Since then the chemical industry developed slowly until the turn of the century when larger projects were built such as in Subotica, Belgrade, Leskovac, Kruševac, and especially the „Zorka“ factory in Šabac.

The reconstruction of the existing factories was begun immediately after the war. However the vigorous economic development of the country also confronted the chemical industry with important tasks, which the latter fulfilled excellently by broadening its assortment and increasing capacity. This was accomplished primarily through the reconstruction and expansion of the capacities available, as well as the construction of new projects which proceeded on a vast scale particularly during the past few years.

The „Zorka“ Chemical Factory of Šabac, the biggest enterprise of its kind in Yugoslavia deserves special mention in the over-all development of the chemical industry.

The foundations of this project were laid twenty years ago in the town of Šabac on the banks of the Sava river. The first two plants, — for the production of sulphuric acid, and copper sulphate (blue-stone) respectively, were completed a year later. According to the original idea „ZORKA“ was primarily to cater to agricultural requirements, thus manufacturing artificial fertilizer and plant protection agents, such as copper lime, „Nicotinol“, „Sulphurool“, and various dinitro-ortho-cresole compounds was initiated on the eve of World War I. The first batch of technical chemicals was also produced at that time.

A DETAIL IN THE WORK OF THE
FACTORY

Output was notably reduced during the war and dropped to a mere 7,400 tons by the end of the war. Owing to the heavy investments absorbed during the immediate post war period by the heavy industry, machine building, mining and the electric power industry, „Zorka“ was not in a position to begin the expansion



of its plant at that time. The available capacities were fully utilised, and the production of new crop protection agents and industrial chemicals initiated.

Two pyrite ovens were purchased from an old factory which ceased work years ago, thus raising output of sulphuric acid to 20,000 tons. Production of DDT on an industrial scale was begun in 1948. All this had a powerful effect on the growth of aggregate production which was over 42,000 tons in 1952, thus exceeding pre-war output two and a half times.

The first larger investments were made during 1952, and continued during the following years thus enabling the whole project to be transformed into a vast building site.

The sulphuric acid department was the first to be expanded, followed by the super-phosphate plant. Finally, a zinc electrolysis plant and a plant for the production of sulphuric acid by the tower process were likewise built.

All the new projects together with those existing enabled „Zorka“ to become the foremost enterprise of the Yugoslav chemical industry.

The new capacities came into regular operation after three years time thus raising the gross product of the enterprise by more than threefold.

The works consist of eight plants at present, each of which is a self-contained factory.

The activities of „Zorka“ may be divided into the following groups:

1. plant protection chemicals
2. technical chemicals
3. acids
4. artificial fertilizer
5. electrolytic zinc

„Zorka“ is producing over 40 articles today. One third of these are deficient so that they are in great demand on the home market. Products intended for use in agriculture account for over 60 percent of the total value of production.

Copper sulphate (bluestone) was formerly the staple export. In view of the general deficiency of copper, and especially after the construction of the new copper rolling mills in Sevojno and Svetozarevo, copper sulphate is produced only in the quantities required by the home market.

Consequently, electrolytic zinc is the foremost article exported by „Zorka“ at present.

The zinc electrolysis plant was built according to the designs of the US Firm of „Sigmaster-Brayer“ and is one of the most up to date projects of its kind.

Zinc is being exported to the USA, France, Italy and Switzerland.

„Zorka“ has acquired an enviable reputation on the home market and is already no longer in a position to satisfy its

requirements entirely. Therefore the existing capacities are slated for expansion during the next few years, while several new plants will be built in the meantime, thus notably increasing internal and foreign market.

The factory has established a series of business contacts with foreign firms so far. It is maintaining regular relations with the Swiss firm „Geigy“, as well as the „Cela“, „Lurghi“ and „Peterssen“ factories in West Germany.

The products of the „Zorka“ factory of Šabac are as follows:

CROP PROTECTION AGENTS

„Ambarin“
Copper lime
„Dibenol“
„Diditin“
„Diliden“
„Dimol“
„Dinozan“
„Gamadin“
Potassium metabisulphite
„Creozan“
„Nicotinol“
Lead arsenate
„Pepein“ (powder)
Copper sulphate
„Rapein“
„Sumporol“
„Vetalin“
„Vetalin“ (powder)

ARTIFICIAL FERTILIZER

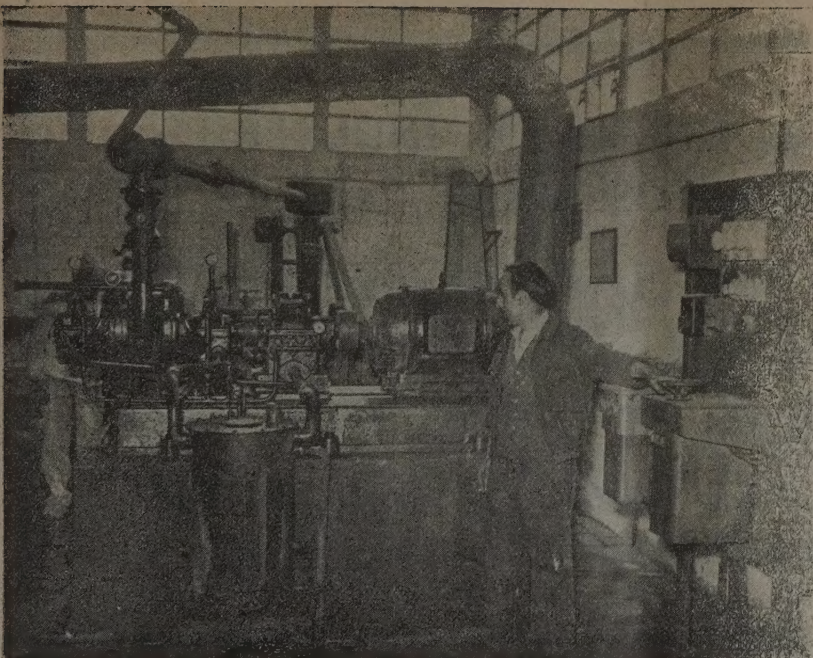
Super phosphate

TECHNICAL CHEMICALS

Storage battery acid
Arsenic acid
Copper oxyde
Barium hydroxyde
Barium chloride
Barium carbonate
Barium sulphate

PLANT FOR THE PRODUCTION OF SULPHURIC ACID





A DETAIL IN THE WORK OF THE FACTORY

»ZORKA« CHEMICAL FACTORY

ŠABAC
Yugoslavia



Photofix
Chlorosulphonic acid
Calcium hydrosulphide
Potassium meta-bisulphide
Magnesium chloride
Sodium bisulphite
Sodium sulphite (for photography)
Sodium silico-fluoride
Sodium sulphate (crystals)
Sodium sulphate (dry)
Sodium sulphite
Sodium tiosulphate
Oleum
Sulphuric acid (impure)
„Plumbol“ powder
Hydrochloric acid
Sulphuric acid (chemically pure)
Sulphuric acid (technical)

PHARMACEUTICALS

Sulphonol

Telegrams: ZORKA — Šabac

Teleprinter: 01-112

Railway station: Šabac — industrial track

Telephones: 207, 349, 597, 598, 596

Current Account No 120-F-2

National Bank — Šabac Branch Office

ONE OF THE OLDEST MOTOR INDUSTRIES IN YUGOSLAVIA



INDUSTRIJA MOTORA

RAKOVICA — BEOGRAD

The Rakovica industrial basin, one of the oldest in the country, is situated in the vicinity of Yugoslavia's capital — Belgrade — in the Košutnjak and Topčider valley. For over thirty years this basin has witnessed the activities of the enterprise for the manufacture of motors — INDUSTRIJA MOTORA — Rakovica.

Founded in 1927, with a share capital of 15 million dinars, the Motor Industry undertakings actually constituted the first modest efforts for the industrialization of pre-war Yugoslavia.

Operating under the conditions of an undeveloped economy such as Yugoslav was before the war, the Motor Industry at Rakovica, lacked favourable conditions for technical development but, despite this situation, it managed to score significant successes in the home production of motors. Its production programme was adapted to the economic movements in the country. Three years after its foundation, the enterprise built the first Yugoslav aircraft engine under the French „Gnome-Rhone“ licence, and continued the serial production of these motors at the same time proceeding with the manufacture of special high quality tools and spare parts. Just before the war, in 1940, the Motor Industry started the serial production of first Yugoslav 2.5-ton lorries under the licence of the „Praga“ firm of Czechoslovakia.

The war cut short the development of this enterprise. During the occupation, enemy authorities tried to use its plants for their own purposes, but failed in their attempt.

It was only after the Liberation that the Motor Industry at Rakovica entered its most fruitful period. Despite considerable damage which the factory suffered, as a result of the war it soon managed to restore its plants and set them in operation. Minor extensions were made, the existing capacities enlarged, new machines were brought in. New buildings were erected, such as workers dwellings as well as a cultural home and various other objects.

In the post-war period the Motor Industry produced motor lorries, gasoline engines for various purposes, gearboxes, tools, spare parts, various castings. The factory conducted a number of services for other enterprises and in 1950 gave the country the first home-made tractor with a petrol engine.

Now the enterprise has embarked on a reconstruction of the plant in order to create conditions for modern, economical production. The principal products of the Motor Industry are:

„Zadrugar“ — Diesel - Tractor

This is a reconstructed „Zadrugar“ tractor with built-in „Perkins“ diesel engine and improved properties for operation in agriculture. It belongs to the excellent tractors of the 40 HP class. It is equipped with a hydraulic jack and, after careful Institute tests, also with a number of accessory agricultural machines which go to make up the „Zadrugar system“. This type of tractor has so far given excellent results.

Diesel Engine Family

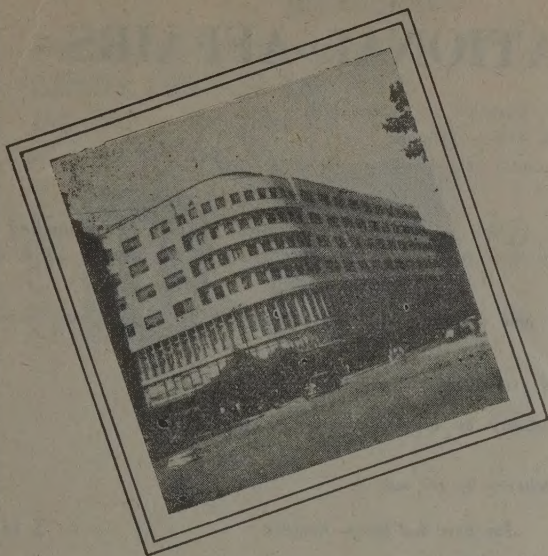
The Motor Industry production programme includes a Diesel engine family of 2, 3, 4 and 6 cylinders from 15 to 83 HP, under the licence of the British firm F. Perkins Ltd. The representatives of this family are modern rapid Diesel engines, of small weight, with an excellent combustion process. They are reliable and sure in operation, with a low fuel consumption, sure starting great durability and resistance to wear and tear.

Thanks to their excellent construction, the motors of this group are used for various purposes: for diesel locomotives, water pumps, generator-units, tractors, cranes, ships, motor coaches, compressors, dumpers, lorries, elevators etc.

Specializing in the production of Diesel family engines, the Motor Industry at Rakovica is also engaged, in this transition period, in the manufacture of spare parts, various tools and implements for industry and agriculture.

The practical characteristics and good properties of the products have created for the factory an enviable reputation on the Yugoslav market.

Towards the end of October this year, the Motor Industry at Rakovica celebrated the thirtieth anniversary of its fruitful activity.



Centrotexstil

IMPORT — EXPORT

BEOGRAD

KNEZ MIHAJLOVA 1—3/III

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